

EXHIBIT B

**REDACTED
VERSION**

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EXHIBIT 1

1 UNCERTIFIED ROUGH DRAFT -- NOT FOR OFFICIAL USE

2 BEVERLY HILLS, CALIFORNIA

3 THURSDAY, NOVEMBER 21, 2019

4 11:01 A.M.

5 -000-

6 ***

7 WILLIAM TAYLOR,

8 having been duly administered an oath

9 in accordance with CCP 2094, was

10 examined and testified as follows:

11 ***

12 EXAMINATION

13 BY MR. CLEGG:

14 Q. Okay. Mr. Taylor, good morning. Thanks
15 for coming. I know these aren't the most exciting
16 part of your job, depositions, but to start off I
17 would just like to do some background -- kind of
18 some background questions.

19 I'm assuming you've done this before?

20 A. Yes.

21 Q. Can you state your full name for the
22 record?

23 A. William Frederick Taylor.

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24 Q. Great. Are you aware you're being deposed
25 in the case Modern Font Applications, LLC versus

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2 Peak Restaurant Partners?

3 A. Yes.

4 Q. Dine Brands Global?

5 A. Yes.

6 Q. You ever been deposed before?

7 A. Yes.

8 Q. And then you're -- okay. Good.

9 So in your deposition, of course, I'm going
10 to be asking you questions. You're going to be
11 answering them under oath.

12 Do you understand this?

13 A. Yes.

14 Q. In your -- there are a few -- as you know,
15 because you've done this before, first, the court
16 reporter is attempting to transcribe stuff, the
17 things that we say, and so it's important that we
18 don't talk over each other, that we don't interrupt
19 each other and that we wait and maybe if I don't --
20 if I take over, you let me know.

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21 If you talk over me, it is I can ask
22 questions. You can answer the questions. And that
23 we don't -- that we don't nod heads or say "uh-huh"
24 or things like that. We need "yes," "no" or things
25 that are verbal.

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2 Also unlike typical conversations, the
3 answers today is under oath and that subjects you to
4 criminal charges of perjury if you falsely give
5 misstatements or under oath.

6 Do you understand this?

7 A. Yes.

8 Q. Also I'm entitled to get complete answers.
9 That means -- for example, let's say this morning
10 you had orange juice, toast and coffee and I asked
11 you what did you have for breakfast. If you just
12 say "orange juice," that would not be a complete
13 answer. Also you don't have to tell me what you had
14 for lunch if I ask you: "What did you have for
15 breakfast?" That is not the question, but that is
16 just examples.

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17 Do you understand that?

18 A. Yes.

19 Q. All right. You mentioned you've been
20 deposed before. For the other times where you a
21 witness, was it as for your employer?

22 A. Yes.

23 MR. BERNTSEN: Quick appointment we
24 previously talked about formal objections.

25 MR. CLEGG: E.

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2 MR. BERNTSEN: Is objection to form
3 sufficient enough to constitute can we agree that
4 object to form --

5 MR. CLEGG: Yeah.

6 MR. BERNTSEN: -- and not a waiver.

7 MR. CLEGG: Let's do that. If I have an
8 objection, it might be in some instances
9 specifically what you're objecting to.

10 MR. BERNTSEN: Okay. Just ready or not,
11 thank you.

12 MR. CLEGG: Thank you for bringing that up.

13 Q. So do you routinely act as a witness on

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14 behalf of your current employer?

15 MR. BERNTSEN: Object to form.

16 THE WITNESS: Occasionally when a matter
17 involves --

18 BY MR. CLEGG:

19 Q. Okay. About how many times have you been
20 deposed before?

21 A. Maybe a dozen.

22 Q. Okay. Were those mostly for Dine Brands
23 Global?

24 A. Yes, it could be other.

25 Q. Or related entities?

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2 A. Yeah.

3 Q. Okay. Were any of those times you were
4 deposed prior to today related to the issue of
5 venue?

6 MR. BERNTSEN: Object to form.

7 THE WITNESS: No.

8 MR. CLEGG: And Matt, what was the
9 objection, to form? What was the basis of the

10 objection.

11 MR. BERNTSEN: Compound.

12 MR. CLEGG: Okay.

13 Q. What is your current position with Dine
14 Brands?

15 A. Executive director of risk management.

16 Q. And how long have you worked at Dine
17 Brands?

18 A. Just over six years.

19 Q. And how long have you had the current
20 position you had?

21 A. Just over six years.

22 Q. Just over six years?

23 A. Yeah.

24 Q. And what are your responsibilities at Dine
25 Brands?

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2 A. Responsible for the corporate
3 identification and assessment of risk.

4 Q. Okay.

5 A. With -- dealing with both the Dine Brands
6 IHOP and Applebee's.

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7 Q. Okay. And did you attend law school?

8 A. I did.

9 Q. And did you get a law degree?

10 A. I have a law degree.

11 Q. Are you an attorney?

12 A. Oh, no. I don't practice.

13 Q. Okay. Do any of your responsibilities
14 include buying, selling or leasing property for the
15 company?

16 A. Only as it relates to insurance.

17 Q. Okay. Have you ever been involved with
18 buying selling or leasing property in Utah as part
19 of your work for Dine Brands?

20 A. No.

21 Q. Had you ever worked for any of the
22 subsidiaries of Dine Brands?

23 A. No.

24 Q. Does any of your work at Dine Brands
25 involve doing services for the subsidiaries?

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2 MR. BERNTSEN: Objection.

3 THE WITNESS: Yes, oh, sorry.

4 MR. CLEGG: What's the objection, Matt?

5 MR. BERNTSEN: Vague for doing services for
6 the subsidiaries.

7 MR. CLEGG: Okay.

8 Q. Have you -- do you regularly interact with
9 any of the franchisees for Dine Brands?

10 A. Not regular.

11 Q. But you have interacted with them on
12 occasion?

13 A. On occasion.

14 Q. And what's the nature of that involvement
15 for -- what is the nature of your interaction with
16 the franchisees?

■ ■ [REDACTED]
■ [REDACTED]
■ [REDACTED] [REDACTED]
■ [REDACTED]

21 Q. Okay. How did you educate yourself about
22 Dine Brands' property including the subsidiary
23 properties in Utah for the purposes of this
24 deposition?

25 A. I reviewed the documents that were provided

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2 by counsel.

3 Q. Okay. What documents did you review?

4 A. I believe it was the motion.

5 MR. BERNTSEN: Objection; that's -- that's
6 a document brought up by counsel. It's getting into
7 work product. I'll instruct you not to answer.

8 MR. CLEGG: Except for that if it's a
9 document you reviewed, whether you gave him the
10 document or not, and disclosed it to prepare, that's
11 pretty standard.

12 Q. So if you reviewed documents to prepare for
13 this, we need to identify the documents you looked
14 at unless the document itself was specifically
15 prepared for -- for you by counsel that's a work
16 product document. Then it's another document you
17 identified documents, we need that.

18 A. Yeah. The only documents I reviewed were
19 the motions denying venue, your motion -- that --
20 that would about it, my declaration.

21 Q. Okay. Other than counsel, did you speak
22 with anybody else to help prepare you for the
23 deposition?

24 A. No.

25

Q.

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MR. CLEGG: I'm going to ask you for a copy

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of a notice of deposition that we did.

4

THE WITNESS: Okay.

5

MR. CLEGG: And I'll give a copy to the

6

reporter.

7

And here's a copy for you, and I assume the

8

reporter will mark this as Exhibit 1 and you'll be

9

able to get that copy.

10

(Exhibit 1 was marked for ^ 1

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identification by the reporter.)

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MR. BERNTSEN: And am I correct, Counsel,

13

this is not precisely the document that was served

14

in that it has some highlighting.

15

MR. CLEGG: Yeah. The only difference is

16

we have some highlighting. That's correct. They

17

weren't produced with highlighting, but they are

18

now.

19

Q. Did you produce this before coming here

20

today?

21 A. Yes.

22 Q. And did you try your best to educate
23 yourself on the topics?

24 A. Yeah, through the counsel, through
25 documents provided.

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2 Q. Okay.

3 MR. CLEGG: Okay. I'm going to -- if you
4 would mark this as Exhibit 2.

5 (Exhibit 1 was marked for ^ 2
6 identification by the reporter.)

7 BY MR. CLEGG:

8 Q. I assume you've seen this before, Exhibit
9 No. 2?

10 A. Yes.

11 Q. And this would be your declaration?

12 A. That's correct.

13 Q. And did you prepare this?

14 A. With counsel.

15 Q. So you didn't write this?

16 A. No.

17 MR. BERNTSEN: Objection; form.

18 BY MR. CLEGG:

19 Q. Is that your signature at the end of it?

20 A. That is.

21 Q. And can you confirm that all the statements
22 made in here are accurate?

23 A. Yes, I can.

24 Q. Okay. Paragraph 5 of your declaration it
25 mentions that the employees that work at IHOP

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2 restaurants in Utah are not employees of Dine
3 Brands. Are there any employees that Dine Brands
4 has in Utah that are not IHOP employees?

5 A. No.

6 MR. BERNTSEN: Just remind you to please
7 give me a moment to lodge an objection if necessary.

8 THE WITNESS: Thank you.

9 BY MR. CLEGG:

10 Q. Does the -- does any of Dine Brands'
11 subsidiaries have employees residing in Utah?

12 A. Not located in Utah.

13 Q. They're -- they have employees that work on

14 operations in Utah?

15 MR. BERNTSEN: Object to form.

16 THE WITNESS: They'll be IHOP employees
17 that will occasionally go to a restaurant in -- in
18 Utah.

19 BY MR. CLEGG:

20 Q. When you say "IHOP employees," are you
21 referring to which IHOP entity?

22 A. It will be IHOP underneath Dine Brands.

23 Q. IHOP international or --

24 A. I don't know the exact subsidiary that is
25 called.

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2 Q. Okay. About how many employees do you have
3 that live in Utah?

4 MR. BERNTSEN: Objection; form.

5 BY MR. CLEGG:

6 Q. I'm referring to the IHOP entity that you
7 were referring to.

8 A. Maybe 1 or 2.

9 Q. Okay. Does Dine Brands have any employees
10 that are assigned to the IHOP or the Applebee's

11 franchise business that is in Utah?

12 A. When you say "assigned"?

13 Q. That their responsibilities to work on
14 business matters that arise out of Utah?

15 A. They don't really work on business matters.
16 They just generally will go to a restaurant in Utah
17 and make sure that they're withholding -- they're
18 holding up the standards of the business.

19 Q. Then --

20 A. The franchisees, that is.

21 Q. Are those employees of Dine Brands or
22 employees of the subsidiary?

23 A. Employee of the subsidiary IHOP.

24 Q. Are there any employees of Dine Brands?

25 A. Not that I know.

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2 Q. Are these employees that do monitoring of
3 the franchises?

4 A. Field operations people.

5 Q. Field operations?

6 A. Yeah.

7 Q. And you're had -- okay. And you don't know
8 which IHOP entity they work for. What Applebee's --
9 do any of them work for Applebee's?

10 A. Not -- not the IHOP individuals. That is a
11 separate brand.

12 Q. Sure. But you have employees that -- do
13 you have employees that at Dine Brands that visit
14 Utah for the Applebee's franchise?

15 A. I'm not aware of any Dine Brands employees
16 that visit Utah.

17 Q. Are there any Applebee's related
18 subsidiaries?

19 A. Do --

20 Q. Employees that come to Utah?

21 A. There could be.

22 Q. But you're not familiar with them?

23 A. No. No.

24 Q. But they would monitor them?

25 A. Their role.

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2 Q. Wait a minute and would be Applebee's
3 restaurants or Applebee's related subsidiaries that

4 have employees that come to Utah that monitor
5 Applebee's franchises, would that be correct?

6 A. The same as with IHOP.

7 Q. Okay. So something true for IHOP it would
8 be true for Applebee's as well?

9 MR. BERNTSEN: Objection.

10 THE WITNESS: For the -- for the most part,
11 yes.

12 BY MR. CLEGG:

13 Q. Okay. So paragraph 6 of your declaration
14 you state that Dine Brands does not make directly --
15 does not make directly market directly offer for
16 sale or directly sell any goods or services in Utah.
17 Are you aware that food can be ordered in Utah
18 through IHOP.com?

19 A. Well, I believe we have a delivery system
20 throughout the U.S.

21 Q. Okay. And who owns that delivery system is
22 that owned by a subsidiary or is that owned by Dine
23 Brands?

24 A. I can't tell you. Probably owned by IHOP.

25 Q. Okay. Are you aware that food can be order

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2 in the Utah through applebees.com?

3 A. I'm not aware, but I suspect it can.

4 Q. Okay. Did you take either of these
5 Websites into account when making statements --
6 making the statement in paragraph 6?

7 A. No.

8 Q. Were you aware that each Website has a
9 prominent order online option?

10 A. Well, in a general sense because I've
11 worked with IT and --

12 Q. Uh-huh.

13 A. -- and others and they you know
14 implementation from the interest risk standpoint.

15 Q. Okay. When somebody orders food online,
16 say through ihop.com and it directs to one of the
17 local franchisees and that food's delivered to them,
18 does the -- who collects the money that goes through
19 that order?

20 A. I assume the franchisee.

21 Q. But you don't know?

22 A. Well, that's -- their position is to sell
23 food and sell the delivery service, so I would
24 assume the franchisee is the one collecting the

25 money.

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2 Q. I guess the reason I ask is because if
3 ihop.com is operated by Dine Brands but you're not
4 sure with who the -- who owns the system?

5 A. I don't -- I don't know if Dine Brands owns
6 the system. I don't believe so. I think it's brand
7 specific.

8 Q. Meaning one of the IHOP subsidiaries?

9 A. It could be, yeah.

10 Q. But you don't know?

11 A. No.

12 Q. Okay. So you don't know whether the
13 company pays the franchisee when ordering or where
14 the order goes when you order online?

15 A. No, I wouldn't know.

16 Q. So you don't know how the money flows when
17 orders are placed on either the ihop.com or the
18 applebees.com Websites?

19 A. No, I wouldn't.

20 Q. In your declaration paragraph 11, you said
21 that Dine Brands owns property in Utah. What --

22 what kind of property does Dine own in Utah?

23 A. Well, through its subsidiary IHOP, it owns
24 properties. It owns couple of buildings and we
25 hold -- but we sublease everything out. Some ground
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2 leases.

3 Q. Okay. So does Dine Brands -- it says here
4 it doesn't say anything about indirectly or directly
5 it just says it owns property does Dine Brands own
6 any property?

7 A. No subsidiary -- indirectly through its
8 subsidiary it does.

9 Q. Okay. Do you know the name of that
10 subsidiary? Is there more than one?

11 A. There's a variety of sub -- depending on
12 when the subsidiary was structured we IHOP
13 properties had IHOP Realty.

14 Q. Could you identify those?

15 A. I just did.

16 Q. Okay. So --

17 A. There may be others. You have to

18 understand that these leases are -- can be extremely
19 old.

20 Q. So IHOP Realty?

21 A. Yeah.

22 Q. IHOP what was the other one?

23 A. Properties.

24 Q. Properties?

25 A. LLC those are the two I reasonable cause

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2 identify.

3 Q. What about IHOP Leasing?

4 A. Potentially.

5 Q. Are these all wholly owned subsidiaries of

6 Dine Brands?

7 A. Yes, well, let me back up. It may be

8 subsidiaries of IHOP, LLC.

9 Q. Okay.

10 A. Because we have a structure Dine Brands,

11 IHOP and underneath we have subsidiaries of

12 subsidiaries.

13 Q. Do you know who the managing of these

14 companies are? Are they typically put in as

15 management or are they just controlled by the
16 parent?

17 MR. BERNTSEN: Object to form.

18 THE WITNESS: Just controlled by IHOP.

19 BY MR. CLEGG:

20 Q. Okay. And how is -- you're talking about
21 IHOP international or?

22 A. I don't believe there's an IHOP
23 international I could be wrong.

24 Q. Okay. And you're talking about IHOP that's
25 a subsidiary of Dine Brands?

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2 A. Right.

3 Q. And IHOP is controlled by Dine Brands?

4 A. It is a subsidiary of Dine Brands yes, a
5 hundred percent.

6 Q. So it's controlled by Dine Brands?

7 A. If you want to call it control.

8 Q. Okay. It takes direction from Dine Brands?

9 A. It depends on exactly what we're talking
10 about. Because Dine Brands runs an organization

11 many subsidiaries.

12 Q. Okay.

13 A. IHOP makes the decisions.

14 Q. Can Dine Brands veto any of those
15 decisions?

16 MR. BERNTSEN: Object to form.

17 THE WITNESS: It really depends on type of
18 objection veto with we're talking about if it's a
19 food safety issue.

20 BY MR. CLEGG:

21 Q. Uh-huh.

22 A. I assume that they could if it was a --
23 putting the new company in jeopardy, yes.

24 Q. They can --

25 A. But in general sense the brand runs the

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2 brand.

3 Q. Uh-huh.

4 A. So --

5 Q. Do you know where the properties are
6 located the real property that we're talking about?

7 A. I don't know where in Utah they're located.

8 Q. Do you know how many there are?

9 A. For Dine or for IHOP or for Applebee's?

10 Q. Well, why don't we start with -- well, for
11 Dine I thought you said the Dine properties were
12 held by subsidiaries?

13 A. They are.

14 Q. Okay. So how many of those -- are there
15 separate -- well, let me back up. Are there
16 separate properties that Dine uses that are
17 different than properties used, say, for
18 subsidiaries?

19 A. No.

20 Q. For IHOP?

21 MR. BERNTSEN: Object to form.

22 BY MR. CLEGG:

23 Q. So the properties would be properties used
24 by subsidiaries for IHOP franchises?

25 A. Correct.

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2 Q. And so the properties are owned by IHOP or
3 Dine Brands subsidiaries and then those properties

4 are leased to the franchisees?

5 A. I -- IHOP Realty for example.

6 Q. Okay?

7 A. Would be the one leasing the property to
8 the franchisee.

9 Q. I see?

10 A. And that subsidiary is under the IHOP, LLC
11 structure.

12 Q. Okay. Is the same true for Applebee's?

13 A. In general, yes.

14 Q. And do you know of the subsidiaries that
15 run the properties for Applebee's?

16 MR. BERNTSEN: Object to form. Do you mean
17 specifically in Utah?

18 MR. CLEGG: In Utah.

19 THE WITNESS: I wouldn't know specifically
20 in Utah which ones.

21 BY MR. CLEGG:

22 Q. Are you -- are you aware of Applebee's
23 franchisor -- Applebee's Franchisor, LLC?

24 A. I'm familiar with it. I've seen the name
25 used in documents and such.

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2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED] Does Dine Brands

6 own any equipment in Utah?

7 A. Not that I'm aware of.

8 Q. Does Dine Brands own a systems that are
9 used by the franchisees?

10 MR. BERNTSEN: Object to form.

11 THE WITNESS: No. The systems that they
12 use are owned by a third party or owned by the
13 franchisee, but they utilize a vendor for that,
14 Micros.

15 BY MR. CLEGG:

16 Q. Okay. Do the subsidiaries have any
17 equipment? Let me clarify. Do any of Dine Brands
18 subsidiaries own equipment that's in Utah?

19 A. No, not that I'm aware of.

20 Q. Does Dine Brands maintain any asset in
21 Utah?

22 A. Not that I'm aware of.

23 Q. So it's your testimony that the only
24 properties and asset in Utah that Dine Brands owns
25 indirectly through subsidiaries?

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2 A. Correct.

3 Q. And those subsidiaries would be the IHOP
4 subsidiaries?

5 A. That's correct IHOP Realty IHOP properties
6 IHOP Leasing.

7 Q. But there are business operations by
8 subsidiaries of Dine Brands in Utah?

9 MR. BERNTSEN: Object to form.

10 THE WITNESS: They're -- could you repeat
11 the question?

12 BY MR. CLEGG:

13 Q. Dine Brands has subsidiaries that are
14 engaged in business operation in Utah?

15 MR. BERNTSEN: Object to form.

16 A. Business operations I mean they lease the
17 property to the franchisee which is done out of
18 California.

19 BY MR. CLEGG:

20 Q. And what about the Applebee's franchisees
21 or I should say what about Applebee's restaurant and
22 Applebee's Franchisor what business dealings or what
23 business operations do they have in Utah?

24 MR. BERNTSEN: Object to form.

25 THE WITNESS: Again, it would be just

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2 monitoring for brand standards.

3 BY MR. CLEGG:

4 Q. So they send somebody in occasionally to
5 look at the franchisees?

6 A. They would.

7 Q. Are there out types of franchise monitoring
8 that they do?

9 A. Not that I'm aware of.

10 Q. Franchiser free?

11 MR. CLEGG: I'm going to hand you a copy of
12 the 2018 annual report for Dine Brands could you
13 mark this as Exhibit 3.

14 MR. BERNTSEN: Given the courts order can

15 you give me a cents of what topics it will be.

16 MR. CLEGG: The only topics we'll address
17 in here are the ones approved by the Court so you're
18 not attempting to authenticate this. This I will
19 represent to you that this is the 2018 annual report
20 of Dine Brands that we were able to get from
21 publicly available sources I believe from Dine
22 Brands Website.

23 THE WITNESS: Okay. Thank you.

24 BY MR. CLEGG:

25 Q. ?

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2 MR. BERNTSEN: Counsel about that
3 representation this document also appears to have
4 highlighting.

5 MR. CLEGG: Yeah.

6 MR. BERNTSEN: Is that different than
7 Website.

8 MR. CLEGG: Yeah so the highlighting is our
9 highlighting that will make it easier for you to see
10 stuff it will make it quicker.

11 THE WITNESS: Okay.

12 MR. BERNTSEN: Are there any other changes
13 in the document?

14 MR. CLEGG: No. Subscription agreement.

15 BY MR. CLEGG:

16 Q. Before we get to this I want to ask you one
17 other question. Does Dine Brands maintain any
18 storage space in Utah?

19 A. Not that I'm aware of.

20 Q. Does any of its subscription agreement
21 maintain any storage space?

22 A. I he wouldn't know that I wouldn't think
23 so.

24 Q. When you say not that you're aware of?

25 A. Right.

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2 Q. You couched a lot of your questions with
3 this phrase not that I'm aware of. Is that because
4 you don't know or is that because it's just not the
5 case?

6 A. Well, in the risk management role, I would
7 know whether there's properties -- where properties

8 located that belonged and insurable interest in Dine
9 Brands or at Applebee's.

10 Q. Okay?

11 A. And I'm not aware of any properties that
12 been listed.

13 Q. Okay.

14 A. That we interests.

15 Q. Okay.

16 A. That's how I made that connection.

17 Q. Okay. Thank you. If you look at page 10
18 of the annual report under "Information
19 Technology" --

20 A. Uh-huh.

21 Q. -- it says, "We use in-house developed and
22 third-party point-of-sale systems, kitchen data
23 systems, and back-of-the-house systems for
24 accounting, labor and inventory management in our
25 franchisees' restaurants."

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2 So according to this, it says that Dine
3 Brands, I'm assuming, has in-house developed
4 systems; is that correct?

5 MR. BERNTSEN: Object to form.

6 THE WITNESS: The only in-house technology
7 that we have are with Applebee's.

8 BY MR. CLEGG:

9 Q. Okay.

10 A. That I'm aware of.

11 Q. What kind of system is that?

12 A. It's a POS system.

13 Q. Does that system require equipment to
14 operate such as computer systems or registers?

15 A. Well, we don't own that equipment. That's
16 probably -- that belongs to the franchisee.

17 Q. But you own the point-of-sale system?

18 A. The technology, yes.

19 MR. BERNTSEN: Object to form.

20 THE WITNESS: Sorry.

21 BY MR. CLEGG:

22 Q. Is there software as part of that
23 point-of-sale system?

24 A. I would think so, yes.

25 Q. And you own that software?

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2 A. Yes.

3 Q. And is that owned by Dine Brands?

4 A. No.

5 Q. Is that owned by one of the Applebee's
6 subsidiaries?

7 A. It could be, yes.

8 Q. Do you know which one?

9 A. No.

10 Q. With respect to the third party systems are
11 any of those licensed through Dine Brands?

12 MR. BERNTSEN: Object to form.

13 THE WITNESS: I couldn't say exactly what
14 subsidiary. I would think it would be IHOP and
15 Applebee's be the -- but I wouldn't know if Dine
16 Brands signs agreements. I doubt it.

17 BY MR. CLEGG:

18 Q. But you don't know?

19 A. I don't know.

20 Q. So respect to point-of-sale, kitchen data
21 system and back-of-the-house systems for accounting,
22 labor and inventory management, you don't know who
23 owns those systems?

24 MR. BERNTSEN: Object to form.

25 THE WITNESS: Any system within the

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2 restaurant's four walls are owned by the
3 franchisees.

4 BY MR. CLEGG:

5 Q. Other than the point-of-sale systems?

6 A. The point-of-sale would be our technology,
7 but the mechanism in which it is transferred or POS
8 receives would be done on hardware owned by the
9 franchisee.

10 Q. But aren't some of those systems licensed
11 from third parties that are not franchisees?

12 A. Yes.

13 Q. And those licenses are with subsidiaries --

14 A. I can't say.

15 Q. -- of Dine Brands?

16 A. I can't tell. I answered that before. I
17 don't know.

18 Q. What you're saying is you don't know?

19 A. Yeah.

20 Q. And the hardware is owned by the
21 franchisees?

22 A. Yeah, anything within the restaurant.

23 Q. Were you able to identify each of the
24 leases of property in Utah by Dine or its
25 subsidiaries?

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2 MR. BERNTSEN: Object to form.

3 THE WITNESS: No. I -- I haven't memorized
4 it. We have over 1,700 IHOP restaurants.

5 BY MR. CLEGG:

6 Q. In Utah?

7 A. No. Throughout the nation.

8 Q. Right. I'm referring specifically to Utah
9 I apologize?

10 A. No, I don't know specifically.

11 Q. Are there any leases that Dine or its
12 subsidiaries have in Utah that are not specifically
13 to the restaurants?

14 A. No.

15 Q. What comes in through leases of property in
16 Utah does that go directly to the subsidiaries?

17 MR. BERNTSEN: Object to form.

18 THE WITNESS: I believe it's actually --

19 yes. The name under the lease would be the recip --
20 recipient of the rent or whatever might be charges.

21 BY MR. CLEGG:

22 Q. Does any of that money flow back to Dine
23 Brands?

24 A. Well, if you look at the annual report, it
25 flows up through to IHOP, LLC and then, of course,

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2 the party company Dine Brands.

3 Q. So indirectly --

4 A. Indirectly.

5 Q. -- it goes up. In the restaurants where
6 these point-of-sale systems are or where there's
7 ordering systems such as software or SAS platforms,
8 are these -- does the money in these go directly to
9 franchisees through the point-of-sale systems?

10 MR. BERNTSEN: Object to form.

11 THE WITNESS: Yes, directly to the
12 franchisee.

13 BY MR. CLEGG:

14 Q. Does any of it indirectly -- oh, I should
15 say do any of that money that flows through the

16 system split out in portions where a portion to goes
17 to the franchisee and portions go to the franchisee?
18 Does that make sense?

19 MR. BERNTSEN: Object to form.

20 BY MR. CLEGG:

21 Q. Somebody makes an order, money comes in and
22 that system automatically directs the money to
23 multiple parties. One party may get a percentage of
24 it, another party may get another percentage of it.
25 Are the systems within the franchisee's walls, are

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2 any of those that type of a system?

3 A. No.

4 Q. So the money just goes directly to the
5 franchisee?

6 A. Correct, and they're responsible for a
7 royalty payment or a royalty is based upon sales,
8 gross sales.

9 Q. Are you familiar with the -- the key terms
10 of the leases that the sub -- that the Dine Brands
11 subsidiaries have in terms of their franchisees?

12 MR. BERNTSEN: Object to form.

13 THE WITNESS: In a general sense.

14 MR. CLEGG: What's the objection on that
15 basis?

16 MR. BERNTSEN: I don't know what you mean
17 by "key terms."

18 MR. CLEGG: Material terms.

19 MR. BERNTSEN: The same objection.

20 MR. CLEGG: Okay.

21 Q. For example, who owns the building in those
22 leases?

23 A. Who owns the building where?

24 Q. Yeah. Let's -- let's take a -- are those
25 typical leases or are they all standard is there a

33

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2 standard form?

3 A. No pretty -- they're all different because
4 it was signed and executed at different times,
5 different people handle them, you know.

6 Q. So you don't have with franchisees sort of
7 a package deal where a franchisee come in and you
8 have a kind of standard set of documents, standard

9 set of leases?

10 A. There will be a standard set but those are
11 all negotiable and the franchisee would come back
12 and renegotiate those terms.

13 Q. In the leases of properties owned by Dine
14 Brands subsidiary in Utah do you know who owns the
15 signage on the buildings?

16 A. That would be owned by the franchisee.

17 Q. Who owns the branded items attached to the
18 buildings like the sticker and things?

19 A. The franchisee.

20 Q. And the computer systems?

21 A. Other than -- no, I mean -- the POS of IHOP
22 is owned by Micros -- is owned by a franchisee but
23 operated by Micros.

24 Q. Operated by who?

25 A. Micros.

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2 Q. Is Micros a subsidiary of Dine Brands?

3 A. No, third-party vendor.

4 Q. Third party vendor. Who pays the license

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Q. Let's turn briefly to page 26 of the annual

23 report.

24 A. (Complies.)

25 Q. The first highlighted section there says 37

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2 that "Of the 1,669 IHOP restaurants operated by
3 franchisees, 58 were located on sites owned by us,
4 618 were located on sites leased by us from third
5 parties and 993 were located on sites owned or
6 leased by franchisees."

7 Previously you mentioned that none of the
8 properties in Utah are owned by Dine Brands; is that
9 correct?

10 A. That's correct.

11 Q. So not -- so were any of the sites leased
12 from third parties? Were any of the IHOP franchisee
13 locations in Utah leased from third party owners of
14 those properties?

15 A. Yes, there's several.

16 MR. BERNTSEN: Objection to form.

17 BY MR. CLEGG:

18 Q. And who -- who has those leases?

19 A. Franchisee or the landlord.

20 Q. Is so the franchisee directly leased them
21 from third parties?

22 A. Yes.

23 Q. Okay. According to this it says that
24 they're leased by quote us from third parties. Are
25 none of the one in Utah leased by Dine Brands or its

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2 subsidiaries from third parties?

3 A. There are several that are leased by IHOP,
4 LLC or properties or IHOP Realty to the franchisees.

5 Q. So they're leased -- so let me -- let me
6 clarify or let me get and clarification here are you
7 saying there are third party properties that are
8 leased by IHOP that are then used by the
9 franchisees?

10 A. Subleased to a franchisee.

11 Q. Okay. Do you know how many of those there
12 are?

13 A. No. Nationwide or in Utah?

14 Q. In Utah.

15 A. Handful, maybe.

16 Q. And would the lease or be -- I should
17 say -- so the lessee would be IHOP and the sublessee
18 would be the franchisee?

19 A. Correct.

20 Q. And then the franchisee would pay IHOP
21 under the lease?

22 A. Yes. Yeah. IHOP owned a lot of
23 restaurants and built a lot of restaurants, and as a
24 consequence the ones that they lease under our
25 master lease can be terminated or decided to keep

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2 it.

3 Q. Okay. On this same page on the annual
4 report it says leases of IHOP restaurants generally
5 provide for an initial term of 20 to 25 years with
6 most having one or more five-year renewal options.
7 Is that the case for the franchisees in Utah
8 franchisees of IHOP?

9 A. Well, I didn't check the terms of the lease
10 but in a general sense yeah 20 with options to the
11 lease.

12 Q. Okay. Down below it says because -- so

13 down below the second or third highlighted section
14 on that same page?

15 A. Right.

16 Q. See where it says because substantially all
17 IHOP franchisee restaurants developed by us under
18 our previous IHOP business model are sublease today
19 the franchisees IHOP has the ability to regain
20 possession of the subleased restaurant if the
21 franchisee default in payment of the rent or other
22 temples of the settlements. How many of the Utah
23 IHOP is this true for?

24 A. Without reviewing each individual lease I
25 wouldn't know.

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2 Q. Okay. When the -- when the company --
3 well, I'll say when IHOP regains possession of a
4 property is that regained by IHOP, LLC or another
5 entity who takes possession of the property?

6 MR. BERNTSEN: Object to form.

7 THE WITNESS: I can't definitely say.

8 BY MR. CLEGG:

9 Q. Going to page 43 of the annual report down
10 at the bottom it says -- in the last highlighted
11 section, it says financing operations revenue
12 primarily consist of interest income from the
13 financing of franchisee fees and equipment leases.

14 Do you see that there?

15 A. Yeah.

16 Q. Are there any equipment lease in place
17 where Utah franchisees of IHOP?

18 A. No.

19 Q. So there's no revenues in Utah generated
20 through financing operations?

21 A. Not for equipment leases.

22 Q. Are there financing operation revenues for
23 anything else that come out of Utah?

24 MR. BERNTSEN: Object to form.

25 THE WITNESS: Just the rental whatever

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2 leases are in -- are in effect.

3 BY MR. CLEGG:

4 Q. And part of that consist of interest coming
5 off of those?

6 A. It could be.

7 MR. BERNTSEN: Object to form.

8 MR. CLEGG: What's the objection?

9 MR. BERNTSEN: Vague as to interest coming

10 off of leases.

11 MR. CLEGG: Accruing from leases.

12 MR. BERNTSEN: Interest and leases don't

13 come to be in my mind. That's the objection.

14 MR. CLEGG: Do you finance leases?

15 A. We do.

16 Q. So would that be IHOP, LLC or would it be

17 Dine Brands?

18 A. It's not Dine Brands. It would be IHOP,

19 LLC or one of its subsidiaries.

20 Q. Does Dine Brands finance anything?

21 MR. BERNTSEN: Object to form.

22 THE WITNESS: I couldn't really say. I

23 mean --

24 BY MR. CLEGG:

25 Q. You don't know?

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2 A. Brands, no.

3 Q. Okay. Previously we -- well, let me ask
4 you this: Let's go to the back of the annual report
5 and there's an Exhibit 23.1. It's page 107. I
6 don't approximate know if that helps you?

7 A. Yes, it does.

8 Q. Does it?

9 A. Yeah.

10 Q. Okay. So this is a list in the annual
11 report of subsidiaries of Dine Brands Global, Inc.
12 In reviewing this, does this help refresh your
13 recollection of what entities may own property in
14 Utah?

15 A. To a certain extent.

16 Q. Are you able to go through and identify
17 some of them?

18 MR. BERNTSEN: Object to form.

19 THE WITNESS: Identify which?

20 Q. Which of these subsidiary own properties in
21 Utah?

22 A. IHOP Property, IHOP Leasing.

23 Q. So IHOP Property, IHOP Leasing. Any
24 others?

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2 [REDACTED]

3 [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED]

6 MR. CLEGG: Okay. We been going about an
7 hour would it be okay to take a five- or ten-minute
8 break for the restroom or --

9 THE WITNESS: Absolutely. Get a cup of
10 coffee. Fine.

11 MR. CLEGG: Does that work for you?

12 THE WITNESS: Yeah. Fine.

13 MR. CLEGG: Okay. And you've done this
14 before, so I think you understand that during breaks
15 we're not to discuss answers to questions and things
16 like that with our counsel.

17 THE WITNESS: Yes, I do.

18 MR. CLEGG: I assumed you did, but we
19 always have to --

20 THE WITNESS: I know.

21 MR. CLEGG: -- state it, so, thanks, Bill.

22 MR. BERNTSEN: Off the record.

23 MR. CLEGG: Off the record.

24 (A recess was taken.)

25 BY MR. CLEGG:

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2 Q. Okay. Mr. Taylor I just want to confirm
3 I'm going back to our earlier discussions at the
4 beginning of the deposition you had prepared
5 essentially read your declaration. You had read the
6 pleading that's were related to the venue motions
7 that; right?

8 A. Some pleadings.

9 Q. Some pleading and that's it? Was there
10 anything else you read?

11 A. I looked at a lease.

12 Q. You did look at a lease?

13 A. Yeah, familiarize myself with the content.

14 Q. Okay. So you did --

15 A. Refresh --

16 Q. And then you only -- and other than that
17 you only talked to your counsel?

18 A. Correct.

19 Q. And you looked at the lease before today?

20 A. Yes.

21 Q. And was that to gather terms of the leases?

22 A. Familiarity with the lease.

23 Q. Would that be a lease that sort of see
24 similar in template or form to other leases with
25 respect to IHOP restaurants in Utah?

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2 A. I would making -- I would make a
3 presumption that it's similar.

4 Q. You would make a presumption that it's
5 similar?

6 A. Yeah.

7 Q. Okay. In those leases between -- was that
8 a lease between IHOP, LLC?

9 A. I believe it was IHOP Property.

10 Q. And it was with one the franchisees from
11 Utah?

12 A. Correct.

13 Q. And in that lease was there an option for
14 cancellation of the lease?

15 A. I didn't see one it might be --

16 Q. Would you assume there would be the ability

17 to terminate a lease?

18 A. Well, I mean, it's -- it's kind of a
19 standard provision within --

20 Q. Sure.

21 A. -- most leases that you have certain
22 recommendations and cancelation provisions so --

23 Q. Are the leases tied to a franchisee
24 package? When I say "package," there's like a lot
25 of franchisees would have this sort of package of
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2 documents. It's sort of a package deal and multiple
3 agreements. Is that lease part of a group of
4 agreements?

5 A. I can't say whether that's actually package
6 with the other agreements or not.

7 Q. You don't know?

8 A. No.

9 Q. Do you know whether there's any determines
10 to terminate the lease if the franchise is
11 terminated?

12 A. No, I don't had know that.

13 Q. Are all of the franchisees agreements
14 understand the same subsidiary with respect to IHOP
15 in Utah?

16 A. The agreements the franchise agreement
17 or --

18 Q. The agreements -- well, I should ask this
19 question. Is there a franchise agreement that
20 governs the relationship between the franchisees or
21 a franchisee and IHOP, LLC or one of Dine Brands'
22 subsidiaries?

23 A. Yes. There's a franchise agreement.

24 Q. Okay. Among the different franchisees in
25 Utah, are all of those with the same subsidiary of
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2 Dine Brands for all the franchisee agreements?

3 MR. BERNTSEN: Object to form.

4 THE WITNESS: I wouldn't have knowledge of
5 that.

6 BY MR. CLEGG:

7 Q. Is there more than one fran -- is there
8 more than one franchisee owner in Utah or is Peak
9 Restaurant Partner -- is Peak Restaurant a

10 partner -- is Peak Restaurant Partners the only
11 franchisee owner of the various franchisees in Utah?

12 MR. BERNTSEN: Object to form.

13 THE WITNESS: I believe they're the primary
14 franchisee.

15 BY MR. CLEGG:

16 Q. Are all of -- do they have more than one
17 franchise agreement or is there one that covers the
18 multiple locations the multiple IHOP locations
19 within Utah?

20 A. I wouldn't have that knowledge of that.

21 Q. Okay. Did you do anything to prepare to
22 know some of these relation -- the -- the franchisee
23 relationship with Dine Brands or with Dine Brands
24 subsidiaries other than looking at this one lease?

25 A. Just looking at the lease and the

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2 declaration and your questions.

3 Q. I understand it's your testimony in an any
4 revenues coming in from the IHOP franchisees in Utah
5 go up first to IHOP, LLC, a subsidiary of Dine

6 Brands?

7 A. Can you restate that question a little bit?

8 Q. Yeah. All of the revenues coming from IHOP
9 franchisees that are in Utah, those revenues, are
10 they all directed to the same subsidiary of Dine
11 Brands or are they directed to different
12 subsidiaries of Dine Brands?

13 A. I couldn't precisely tell you if the
14 revenues are split before they arrive you know LLC
15 leasing or properties whether they get the rent how
16 that -- the mechanics of it I wouldn't be able to
17 talk to.

18 Q. And you didn't -- do you know who would
19 know that?

20 A. Not offhand.

21 Q. So you don't know who was in either Dine
22 Brands or its subsidiary would know how the revenues
23 flowed back to Dine Brands from franchisees --

24 A. I would have to --

25 Q. In Utah?

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2 A. -- talk to someone in the finance

3 department --

4 Q. Okay.

5 A. -- for each brand.

6 Q. And you also indicate that had IHOP
7 Leasing, LLC owns property in Utah but you don't
8 know how many properties?

9 MR. BERNTSEN: Objection to the extent it
10 mischaracterizes.

11 THE WITNESS: I -- there's got to probably
12 be a dozen that are either a ground lease where we
13 own the ground or a building. I think we have two
14 buildings that we own and lease. And then maybe
15 LLC -- it may be leasing LLC or properties LLC as I
16 said leasing are all different.

17 BY MR. CLEGG:

18 Q. And you indicated somewhere you own the
19 building and not the property?

20 A. Could be.

21 Q. Is that where you're leasing the property
22 and then you build on the property? When I say
23 "you," I mean -- I'm assuming this would be IHOP,
24 LLC or the IHOP subsidiary that -- well, no, I'm
25 sorry. IHOP Leasing, for example, would lease

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2 property from a third party and build on that and

3 own the property in some instance and in other

4 instances it would own the property and the

5 building?

6 MR. BERNTSEN: Object to form.

7 BY MR. CLEGG:

8 Q. It sounds like there's two different

9 situations is that right?

10 A. Yeah. That's correct.

11 Q. In one situation there would be superior

12 court owned in a by IHOP Leasing; is that correct?

13 A. That could be yes.

14 Q. And another situation there would be a

15 scenario where IHOP Leasing would represent or lease

16 just the ground but build on it and would own the

17 building but not the ground. Not the real estate.

18 A. Well, I think if you go back to when the

19 properties were developed.

20 Q. Yeah.

21 A. That could be the case. They didn't buy

22 the property on it. But had built an IHOP on it.

23 But there's you know just so we lease the ground --

24 we are the ground lessor.

25 Q. Lee see?

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2 A. Lease sea and it goes down from there.

3 Q. Okay. And that would be subleased to the
4 franchisee in the sense that you're leasing the
5 property and the building to the sub -- to the
6 franchisee?

7 A. I don't --

8 Q. ; is that correct?

9 A. Know you could lease. We might maintain
10 the lease of the ground and just lease it as a
11 package I don't -- I wouldn't know without
12 specifically looking into it.

13 Q. Okay. Okay. You mentioned that before
14 that Dine Brands inspects the franchises in Utah or
15 did you say the subsidiary?

16 A. Subsidiary of Dine Brands -- subsidiary of
17 Dine Brands.

18 Q. So are these inspectors employees or
19 contractors?

20 A. Employees of IHOP.

25 A. They're not -- yes. They're not actually

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

17 Q. And are any of those employees that are
18 the -- do work in Utah?

19 A. Not that I'm aware of, yeah.

20 Q. Okay. What about are any of them employees
21 of inspectors or business consultant that's go to
22 Utah?

23 A. No.

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5 MR. BERNTSEN: We seem to be pretty far
6 afield from the topics here. Which topic are we
7 focused on right now?

8 MR. CLEGG: We'll get there.

9 MR. BERNTSEN: Okay.

10 MR. CLEGG: This has to do essentially
11 co-management, co-finances so --

12 Q. So on page 9 of the annual report there's a
13 highlighted section there where it dates that Dine

55

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

13 Q. What happens if the franchisee does not
14 meet food safety standards?

15 A. They're reaudited and corrective action is
16 taken.

17 Q. What type of corrective action could take
18 place?

19 A. Well, it could have egg -- eggs that are
20 not being stored properly --

21 Q. Right.

22 A. -- to room -- you know, to the temperature.

23 Q. Right.

24 A. It could be no cutting gloves. It could be
25 hygiene. You know, generally what you'd expect a

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2 restaurant to operate in a safe manner.

3 Q. Could a franchisee lose their franchise if
4 they didn't comply with request to modify what
5 they're doing for safety purposes for food safety?

6 MR. BERNTSEN: Object to form.

7 THE WITNESS: I mean, we had that option.

8 BY MR. CLEGG:

9 Q. All right.

10 A. But most of the time through corrective
11 action they don't want to lose their franchise.

12 Q. Right.

13 A. License.

14 Q. What other kinds -- what other
15 noncompliance -- well, let me rephrase this.

16 Can -- can a franchise -- so are -- what
17 other types of inspection failures or monitoring
18 failures could cause a franchisee to lose their
19 franchise?

20 A. Well, I think what you're asking me for
21 is -- would be repeated offenses probably in food
22 safety. I mean, it's a very, very subjective area.

23 Q. Okay.

24 A. If you were committing fraud, not reporting
25 sales correctly.

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2 Q. Now, when you say "subjective," by that you
3 mean that the -- there's discretion on the part of
4 Dine Brands to cancel a franchise?

5 A. Well, there's obviously there's a committee
6 that looks and reviews --

7 Q. Okay.

8 A. -- certain issues with the franchisee
9 and --

10 Q. This is a Dine Brands committee?

11 A. No it would be IHOP.

12 Q. IHOP?

13 A. -- and respective brands.

14 Q. Okay. What about branding failures?
15 Can -- how can -- I guess an inspection could be
16 failed for improper branding? I'm talking about the
17 business consultants now a business consultant goes
18 out to a franchise and what ways can they fail an
19 inspection, the franchisee?

20 A. Oh, it could be cleanliness. It's not so
21 Draconian.

22 Q. Okay.

23 A. Whereas we just shut the doors and lock it
24 lock the place up.

25 Q. But you could do that?

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2 MR. BERNTSEN: Object to form.

3 THE WITNESS: I -- I can't answer that
4 question.

5 BY MR. CLEGG:

6 Q. Who would know the answer to that?

7 A. It probably no, I don't know because I
8 don't sit on the council for review committee.

9 Q. What is this are review committee or
10 council that you're talking about is there an
11 official name for it?

12 A. I believe it's called the franchise review
13 committee.

14 Q. Is that at Dine Brands?

15 A. That is at corporate headquarters, yes.

16 Q. At Dine Brands Incorporated headquarters?

17 A. Yeah.

18 Q. Do you know what other terms within the
19 franchise agreement agrees with franchisees and IHOP
20 that would permit them to terminate a franchise

21 agreement?

22 MR. BERNTSEN: Object to form.

23 THE WITNESS: There's a variety of like I

24 said if you're not reporting royalties you're

25 committing fraud, basically they have to operate

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2 within the state and federal and local regulations.

3 BY MR. CLEGG:

4 Q. Are those determinations generally made by

5 the review committee at Dine Brands head quarter?

6 A. Determination for --

7 Q. Whether to --

8 A. Terminate.

9 Q. -- a franchise?

10 A. I believe that's one role that they play.

11 Q. Okay. Would that also be true for

12 Applebee's franchise agreements?

13 A. That I can't speak to.

14 Q. It indicates that -- okay. So Dine

15 Brands -- does Dine Brands provide oversight of any

16 practices or procedures of the -- of the

17 franchisees?

18 A. No that's all within the brand.

19 Q. They do not have brand is that what you
20 mean?

21 A. Yeah within the IHOP brand.

22 Q. Okay. What happened if a franchisee
23 selects a franchise site that is not acceptable to,
24 let's say, Dine Brands?

25 A. We just assist the -- as I understand we
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2 assist the franchisee in selection, but I don't
3 think we dictate.

4 Q. Yeah. Are franchisee required to provide
5 statements Dine?

6 A. Yes, when we apply for a franchise
7 operation.

8 Q. Can Dine require the franchisees financial
9 practices to make sure they secure their financial
10 health?

11 A. That's a very obtuse question. Could you
12 repeat it for me?

13 Q. Well, they provide financial statements

14 franchisees they have a potential franchisee or a
15 franchisee provides a financial statement to Dine.
16 And then Dine looks at it and says hey, your
17 financial practices, what are you doing here is not
18 up to par. In other words, could -- in their
19 discretion could Dine tell them you need to change
20 these procedures that you're doing financially
21 because your financial health is not good and we
22 don't want you to fail as a restaurant? Do they
23 have the ability to tell them how to do their
24 finances in any way?

25 A. No, we don't.

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2 MR. BERNTSEN: Object to form.

3 THE WITNESS: We -- we will assist the
4 franchisee in a variety of ways if there's financial
5 health concerns. But as far as changing their
6 accounting and financing policies, no. We don't get
7 involved in the day-to-day operations of the
8 franchisee like that.

9 BY MR. CLEGG:

10 Q. Okay. Page 8 of the annual report it says,

11 starting with the second sentence, it says, "We also
12 conduct a physical inspection, review any proposed
13 lease or purchase agreement for compliance with our
14 requirements and may make available to franchisees
15 demographic and other studies for domestic
16 restaurants."

17 So that second part where it says --
18 that -- that you review any proposed lease or
19 purchase agreement for compliance with, quote, our
20 requirements, unquote, what were -- what
21 requirements are those?

22 A. For example, insurance requirements.

23 Q. Are there others? Are there other
24 requirement they have?

25 MR. BERNTSEN: Object to form.

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2 BY MR. CLEGG:

3 Q. With respect to lease and purchases and
4 lease agreements?

5 A. There are but I didn't delineate those.

6 Q. What happens if they don't meet those

7 requirements?

8 A. I guess --

9 Q. Do they lose a franchise?

10 A. No, I don't think we're that difficult to
11 work with it's more a collaborative process.

12 Q. Let's say you are not difficult but the
13 franchisee is difficult and they don't want to
14 comply with some of the requirements?

15 A. If the review committee found those
16 requirements lack of complying with the requirements
17 egregious, just it depends on the extent.

18 Q. Okay. Also on page 8 in the same section
19 at the end of it says, "We make the design
20 specifications for a typical restaurant available
21 for franchisees and we retain the right to prohibit
22 or modify the use of any set of plans."

23 Is that true?

24 A. I read it as being true.

25 Q. So a franchisee couldn't change the layout

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2 of the restaurant if they wanted?

3 A. They could. But we have a variety of

4 different footprints that we offer and it depends on
5 what structure it's going into.

6 Q. Would IHOP -- would be it the review
7 committee or would it be IHOP that would need to
8 approve it?

9 A. It would be the brand that would need to
10 approve it probably someone in their construction or
11 architectural.

12 Q. In the same place it says -- looking at the
13 first sentence of that highlighted area of page 8 of
14 the annual report it says we may consult with
15 franchisees when they are selecting particular site
16 and the selection made by franchisees are subject to
17 our approval. What I what kind of requirements is
18 needed to get approval is that the brand approval or
19 is that the design committee approval?

20 A. It would probably be the planning
21 committee -- you know, the planning committee.
22 So --

23 Q. And who is the planning committee with?

24 A. Probably the same ones under review
25 committee.

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2 Q. Okay.

3 A. Yeah, one and the same.

4 Q. Okay. And that's at corporate

5 headquarters?

6 A. Yes.

7 Q. Okay.

8 MR. BERNTSEN: Again, we seem to be getting
9 pretty far away from the topics that have been
10 approved by the Court. So if you would tell me
11 which topic we're talking about, that's fine, but I
12 will consider if an objection is appropriate.

13 BY MR. CLEGG:

14 Q. Okay. Let's move to --

15 MR. CLEGG: I'm going to hand you another
16 exhibit here. And I think this is going to be
17 Exhibit 4.

18 (Exhibit 4 was marked for
19 identification by the reporter.)

20 THE WITNESS: Thank you.

21 BY MR. CLEGG:

22 Q. As you can see this is a printout from
23 dinebrands.com corporate governance and if you turn
24 to page 6 it says "Management." There's a header

25 there that says "Management."

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2 A. Uh-huh.

3 Q. Do you see that?

4 MR. BERNTSEN: Sorry, I don't see that on
5 page 6.

6 THE WITNESS: "Indicating."

7 MR. BERNTSEN: Page 5 you mean.

8 MR. CLEGG: It is five. I apologize. It's
9 page 5 out of 6. I was -- I misread the page
10 number. Thanks, Matt. I'm glad we brought you to
11 the deposition.

12 MR. BERNTSEN: Just here to help, Perry.

13 MR. CLEGG: Thank you.

14 Q. The list of management here, these officers
15 of Dine Brands, it -- I assume these are all Dine
16 Brands' officers; is that correct?

17 A. Oh, I think Jay Johns and Cywinski are
18 officers of the brands; right?

19 Q. They're brand officers?

20 A. Yeah.

21 Q. And Stephen Joyce -- well, let me ask you

22 is this -- does this list of officers look current
23 to you? Are you familiar with these officers?

24 A. I am. Amy Mason is no longer with the
25 company.

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2 Q. Okay. But the rest of them are still
3 current?

4 A. Yes.

5 Q. Okay. Did somebody replace Amh?

6 A. What's that?

7 Q. Did somebody replace Amy or did they
8 eliminate her position?

9 A. I don't know.

10 Q. Okay.

11 A. What the reason was for that.

12 Q. Fair enough. Do any of the officers listed
13 hereby on Exhibit 4 are they also officers of any of
14 the subsidiaries that were listed in the annual
15 report?

16 A. I can't answer that. I wouldn't know.

17 Q. You don't know if they're officers -- if

18 any of the subsidiaries also have -- if any of these
19 are also --

20 A. I couldn't definitely say. Ultimately,
21 they are a less known corporate structure.

22 Q. Okay. What about Jay Johns is he an
23 officer of any of the subsidiaries for IHOP in their
24 name other than -- other than the IHOP -- the --

25 A. As I said, I can't definitely say which

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2 subsidiaries he would be an officer of the company.

3 Q. Is the same true for John -- how do you
4 pronounce the names?

5 A. John Cywinski.

6 Q. John Cywinski.

7 And did you need the spelling of that?

8 It's a little bit difficult. Let me show you.

9 THE WITNESS: It's not exactly how it
10 sounds it.

11 MR. CLEGG: Were you able to see that?

12 Great.

13 Q. So you don't know if John Cywinski is an
14 officer also of other subsidiaries besides the main

15 Applebee's?

16 A. No. I wouldn't be able to say.

17 MR. CLEGG: I'm going to hand you another
18 exhibit. This would be Exhibits 5 and -- let's
19 start with Exhibit 5. It will be Exhibit 5 and 6.

20 (Exhibits 5 and 6 were marked for
21 identification by the reporter.)

22 BY MR. CLEGG:

23 Q. Exhibit 5 is a printout from Utah's
24 Division of Corporations. It's a business search
25 for data on businesses in Utah. And this is for

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2 IHOP Leasing, LLC. And this is a list of the
3 registered principals for the company. And you
4 indicate that had IHOP Leasing owns property in Utah
5 and also leases some property to some of the
6 franchisees; is that correct?

7 A. IHOP Leasing or IHOP Realty --

8 Q. Okay.

9 A. -- would be part of it.

10 Q. And if you look here are there any of the

11 names here that you recognize that were also on the
12 list of officers for Dine Brands?

13 MR. BERNTSEN: To be clear that's the list
14 of officers in Exhibit 4?

15 MR. CLEGG: Exhibit 5. Oh, yes, yes. I
16 apologize you're referencing -- yeah, the Dine
17 Brands officers listed on Exhibit 4.

18 THE WITNESS: And do I what?

19 BY MR. CLEGG:

20 Q. Well, let me give you an example. Are
21 you -- Bryan -- Bryan Adel, you --

22 A. Yes.

23 Q. You're familiar with Bryan Adel?

24 A. Yes. I report to him.

25 Q. You do you report to Bryan Adel?

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2 A. Yes.

3 Q. And is he senior VP and general counsel for
4 Dine Brands?

5 A. His title is senior vice president and
6 corporate secretary, general counsel.

7 MR. CLEGG: Let's do this. I'm going to --

8 pull out another exhibit here so that we can -- this
9 will be Exhibit 6. And I'm only handing you this I
10 actually wanted to talk about the exhibits after
11 this but this Exhibit 6 relates to Exhibit 5 but
12 after this going to hand you a couple other exhibits
13 so that we can then refer back to Exhibit 5 and 6
14 but Exhibit 6 is the most recent annual report from
15 the Department of Commerce and Division of
16 Corporations for the state of Utah where it is
17 identifying the registered principals for IHOP
18 Leasing so we can come back to that. But what I
19 wanted to provide you also were some officer bios
20 that come from Dine Brands' Website. So we can
21 start with Exhibit 7.

22 (Exhibit 7 was marked for
23 identification by the reporter.)

24 THE WITNESS: Thank you.

25 BY MR. CLEGG:

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2 Q. This is the bio from Dine Brands' Website
3 for Bryan Adel. It says he's senior vice president,

4 legal, general counsel and secretary. Is that
5 accurate?

6 A. Yes.

7 MR. CLEGG: And I'm going to hand you
8 Exhibit 8. This likewise is a bio -- this being a
9 bio for Stephen P. Joyce. And it's from the Dine
10 Brands Website.

11 (Exhibit 8 was marked for
12 identification by the reporter.)

13 BY MR. CLEGG: It says that Stephen Joyce is the
14 chief executive officer and director for Dine
15 Brands; is that correct?

16 A. Correct.

17 MR. CLEGG: And this will be Exhibit 9.

18 (Exhibit 9 was marked for
19 identification by the reporter.)

20 BY MR. CLEGG:

21 Q. And Exhibit 9 is also from Dine Brands
22 Website and it's a bio for Thomas Song, and it
23 indicates that Thomas Song is the chief financial
24 officer for Dine Brands; is that accurate?

25 A. It's accurate.

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2 Q. Okay. Now, let's refer back to Exhibit 5
3 and 6 which essentially have the same information
4 that identifies managers for IHOP Leasing, LLC from
5 the Utah Division of Corporations database. It
6 indicates here that Bryan Adel is a manager of IHOP
7 Leasing, LLC; is that true?

8 MR. BERNTSEN: Object to form.

9 THE WITNESS: That's what it indicates.

10 BY MR. CLEGG:

11 Q. Do you know what his title would be there
12 at IHOP Leasing?

13 MR. BERNTSEN: Object to form.

14 THE WITNESS: I would not.

15 MR. CLEGG: What's your objection based on?

16 MR. BERNTSEN: Foundation. It assumes he
17 has a title.

18 MR. CLEGG: Okay.

19 Q. Do you know whether Bryan Adel would be
20 anything other than a -- in his role as a manager
21 whether he would have some other title?

22 A. No.

23 MR. BERNTSEN: Object to form.

24 THE WITNESS: I don't. I wouldn't know
25 that.

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2 BY MR. CLEGG:

3 Q. Okay. Down below it indicates that
4 Stephen Joyce is a manager of IHOP Leasing LLC. Do
5 you know whether or not that's true?

6 A. No. Other than what's indicated here.

7 Q. Okay?

8 A. No.

9 Q. And as to -- down below that it indicate
10 that's Thomas Song is a manager?

11 A. That's what it indicates, yes.

12 Q. Okay. Do you know whether Bryan -- well,
13 would you assume that the role that Bryan Adel plays
14 in this company would be legal in nature?

15 MR. BERNTSEN: Object to form.

16 THE WITNESS: Yes, I would consider it.

17 BY MR. CLEGG:

18 Q. Would it be likely that the roles they play
19 in this company are similar to the roles at Dine
20 Brands?

21 A. That, I can't answer.

22 Q. Okay. Are you aware of any of these three
23 officers of Dine Brands also being managers or
24 officers of other subsidiaries?

25 A. No, I'm not aware of it.

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2 Q. So would it be correct to say that Dine
3 Brands global CEO CFO and general counsel are all
4 registered principals of IHOP Leasing?

5 MR. BERNTSEN: Object to form.

6 THE WITNESS: I can't say that from this.

7 BY MR. CLEGG:

8 Q. Do you know who would know this
9 information?

10 A. I wouldn't know.

11 Q. Do you know what responsibilities Bryan
12 Adel would have at IHOP Leasing?

13 MR. BERNTSEN: Object to form.

14 THE WITNESS: Well, by -- I did say earlier
15 that I don't know if he is an officer of IHOP
16 Leasing.

17 BY MR. CLEGG:

18 Q. Okay?

19 A. Yeah.

20 Q. And if he was an officer do you know what
21 responsibilities he would have?

22 A. No, I wouldn't.

23 Q. Let's turn back to exhibit -- I believe
24 this is Exhibit 1. Sorry it will take me a second
25 to find it. Will you look at topic 32?

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2 A. Okay.

3 Q. What does that say?

4 A. Common management between Dine Brands and
5 it's affiliates and its subsidiaries.

6 Q. Did you do anything to prepare yourself to
7 know about the -- you know what common management
8 would be between any of Dine Brands' subsidiaries or
9 affiliates?

10 A. Not necessarily other than my general
11 knowledge of the roles.

12 Q. Okay. What about number 30 up above?
13 Could you read that Topic 30?

14 A. Contractual and/or business relationship

15 between Dine Brands and affiliate and subsidiaries
16 having property chattels, equipment leases or
17 business leases in Utah. Sorry.

18 Q. Is the same true for that topic that you
19 were just generally relying on your experience at
20 the company?

21 A. Yes.

22 Q. Would that be true also for all the topics
23 that have been identified too as topics that were
24 topics for the deposition today?

25 MR. BERNTSEN: Object to form sorry could
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2 you restate that I want to make sure I got the
3 question clear in my head.

4 MR. CLEGG:

5 Q. So I guess the question is as the topic we
6 just mentioned on topic 30 and 31 the witness
7 testified that his preparation was generally will I
8 with his experience within the company and I assume
9 the three documents that you identified earlier the
10 having looked at this Exhibit 1 having looked at
11 your declaration?

12 A. Right.

13 Q. And I believe there was a pleading that you
14 looked at and then you talked with counsel?

15 A. And then the lease --

16 Q. The lease.

17 A. Yeah.

18 Q. Okay. So with respect to Stephen Joyce you
19 don't know whether or not -- with respect to the
20 other three that -- the other two that were
21 identified so both Brine Bryan and Stephen Joyce
22 Thomas Song you don't have personal knowledge as to
23 whether they are or not management within IHOP
24 Leasing?

25 A. No. I wouldn't have personal knowledge of
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2 that.

3 Q. So the only information you have regarding
4 them being registered principals were based on the
5 documents I provided you from the Utah Division of
6 Corporations database?

7 A. That's correct.

8 MR. BERNTSEN: Object to form.

9 THE WITNESS:

10 MR. CLEGG: Okay. I'm going to provide you
11 two more exhibits. What was the last exhibit we
12 left off on nine. So we'll do Exhibits 10 and 11.
13 Matt.

14 BY MR. CLEGG:

15 Q. Okay. So I will represent to you that
16 Exhibit 10 is a business registration form that was
17 taken from the Utah Division of Corporations
18 database so these were filings that were made. And
19 this one here -- the document I suppose speaks for
20 itself. And this is for Applebee's restaurants as
21 you can see right here at the top?

22 A. Yes.

23 Q. And at the back of it, it identifies
24 managers for Applebee's Restaurants, LLC. Among
25 those it identifies Bryan Adel?

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2 A. Yes.

3 Q. And you previously testified that he is
4 general counsel for Dine Brands?

5 A. General counsel, secretary, yes.

6 Q. Okay. And senior vice president correct?

7 A. Senior vice president.

8 Q. And Julia Stewart, -- who is Julia Stewart?

9 A. Former CEO.

10 Q. Has she left the company now?

11 A. Yes.

12 Q. And what about Thomas Emrey?

13 A. He's also left the company.

14 Q. And Bernard Angelo?

15 A. I'm not --

16 Q. Kevin Burns?

17 A. I'm not familiar with the name.

18 Q. Okay. So let's turn to Exhibit 11, and

19 Exhibit 11 is the most recent. Do you see it's

20 dated -- it's the most recent filing for the annual

21 report for Applebee's -- so this it is the most

22 recent filing for the Division of Corporations for

23 the state of Utah for Applebee's LLC. It's their

24 annual report with the registered list of

25 principals. You'll see that's dated July 29, 2019.

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2 You'll notice on there it mentions Stephen Joyce.

3 Do you see that?

4 A. Yes.

5 Q. Do you have any reason to believe that

6 Stephen Joyce is not a manager of Applebee's

7 restaurants LLC?

8 A. I can't confirm other than what's stated on

9 here.

10 Q. A little bit further down it says Thomas H.

11 Song, and it identifies him as a manager. Do you

12 have any reason to believe that Thomas Song is not a

13 manager of Applebee's Restaurants, LLC?

14 A. Other than what's stated on here, I can't

15 confirm that.

16 Q. And do you have any reason Mr. Add who is

17 general counsel of Dine Brands is not an officer of

18 Applebee's restaurants LLC?

19 MR. BERNTSEN: Object to form it

20 mischaracterizes.

21 THE WITNESS: Other than what I'm seeing

22 here no I can't confirm it.

23 BY MR. CLEGG:

24 Q. Okay. Do you know what Brian receives any

25 compensation for the work he does for Dine Brands or

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2 for any of affiliates separately from Dine Brands or
3 is his salary all paid by Dine Brands?

4 A. I really can't confirm that he doesn't get
5 paid by Dine Brands.

6 Q. Would any of the affiliates pay him or any
7 of the subsidiaries pay Bryan Adel?

8 A. I would think so.

9 Q. I'm sorry is that?

10 A. I wouldn't think so.

11 Q. So is that a no?

12 A. Yes, it's a no.

13 Q. So he gets his compensation solely from
14 Dine Brands?

15 A. I would -- yes.

16 Q. Okay. What about Thomas Song? Does he get
17 his compensation solely from Dine Brands?

18 A. He's a Dine Brands officer, so I would
19 assume he would get his compensation from Dine
20 Brands.

21 Q. And not from its subsidiaries?

22 A. No. I wouldn't say so.

23 Q. Okay. And what about Stephen Joyce? Did
24 we mention Stephen Joyce already?

25 A. No, I hadn't.

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2 Q. So Stephen Joyce, does he get his
3 compensation solely from Dine Brands?

4 A. He's a Dine Brands' employee.

5 Q. And he doesn't get payment from any of the
6 subsidiaries?

7 A. Not to my knowledge.

8 MR. CLEGG: I got a couple more exhibits,
9 and I guess the next exhibits will be 12 and 13.

10 (Exhibits 12 and 13 were marked for
11 identification by the reporter.) ^ 12, 13

12 BY MR. CLEGG:

13 Q. Okay. So Exhibit 12 I will represent to
14 you that this is a filing from there -- that was
15 taken from the Division of Corporations from the
16 state of Utah is this is a business registration
17 filing and this is for Applebee's Franchisor.

18 You can see that from the top?

19 A. Yes.

20 Q. And it appears this was filed

21 September 23rd of 2014. Do you see that right here

22 in the top right corner?

23 A. Yeah.

24 Q. On the back it it identifies Applebee's

25 Franchisor, LLC managers. And down below there, do
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2 you see where it says Julia Stewart?

3 A. Yes.

4 Q. And you indicated she's the former CEO of

5 Dine Brands; is that correct?

6 A. She maintained a couple titles.

7 Q. Was one of them CEO?

8 A. I believe so.

9 Q. And Thomas Emrey, what was his title?

10 A. CEO.

11 Q. He was also --

12 A. Oh, excuse me. The CFO.

13 Q. CFO?

14 A. Yes, chief financial officer.

15 Q. Okay. And we've already mentioned Bryan

16 Adel who is also named there --

17 A. Right.

18 Q. -- as the general counsel. Okay. Turning
19 to Exhibit 13, I'll represent to you that this was
20 the most represent -- recent annual report filed by
21 Applebee's Franchisor, LLC that we were able to take
22 from the department -- the Utah Division of
23 Corporations database. Did -- if you go down there
24 one, two, three, four -- well, actually let's go up
25 one. It says Dahl so if you go one, two -- let's

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2 say three -- three names down Richard Dahl, D-a-h l.

3 Who was Richard Dahl?

4 A. Richard Dahl was acting as the CEO during
5 the interim period between Julia Stewart and Stephen
6 Joyce.

7 Q. I see. Is there any reason to believe he
8 at some point in time was not a mangers of
9 Applebee's Franchisor?

10 A. I can't answer that.

11 Q. Down below it mentions Stephen Joyce again?

12 A. Uh-huh.

13 Q. Do you have any reason to believe he was
14 not a manager or officer of Applebee's Franchisor?

15 A. I can't answer that other than what's
16 indicated on the sheet.

17 Q. But you don't have anything to indicate he
18 wasn't?

19 A. No.

20 Q. And Thomas Song. Do you have a reason to
21 believe that Thomas Song was not a manager or
22 officer of Applebee's Franchisor LLC?

23 A. Other than what's indicated here I can't
24 confirm that.

25 Q. Okay. But Thomas Song would not have

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2 received compensation from Applebee's Franchisor
3 LLC; is that correct?

4 MR. BERNTSEN: Object to form.

5 THE WITNESS: I can't answer that.

6 BY MR. CLEGG:

7 Q. You indicated that he would have received
8 his pay from Dine Brands?

9 A. That's how the payroll --

10 Q. That's how the payroll works?

11 A. Yeah.

12 Q. And that's true for each of the officers of
13 Dine Brands?

14 MR. BERNTSEN: Object to form.

15 THE WITNESS: I can't answer for Richard
16 Dahl. Bernard Angelo. Bernard Angelo.

17 BY MR. CLEGG:

18 Q. But for the current officers of Dine Brands
19 that would be true?

20 A. Corporate officers, yes.

21 Q. Okay. So I'd like to move on to talk a
22 little bit about Dine Brands relationships with
23 respect to its subsidiaries. Do subsidiary make
24 business decisions separate from the direction of
25 Dine Brands?

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2 A. The brand subsidiary do make decisions.

3 Q. Are there other subsidiaries that would not
4 make decisions independent of Dine Brands?

5 A. I can't answer that question.

6 Q. You don't know the answer?

7 A. It's not a very concise question.

8 Q. Well, does it need to be concise to be --

9 A. I --

10 Q. Is it you don't understand the question?

11 A. Well, I need to articulate what decisions
12 we're talking about.

13 Q. Okay. The question was any decisions. So
14 if there are some -- if there are some subsidiaries
15 that take direction at Dine Brands right direction I
16 mean if there are subsidiary directed by Dine Brands
17 then I test the question would be what subsidiaries
18 are those?

19 A. I can't answer that.

20 Q. And why is that?

21 A. Because I don't have knowledge of the
22 decisions being made.

23 Q. Okay?

24 A. A brand makes decision on things.

25 Q. But you're not aware of other subsidiaries

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2 that are directed by Dine Brands?

3 A. No.

4 Q. Does Dine Brands able to veto any decision
5 as all by the brand subsidiaries?

6 MR. BERNTSEN: Object to form.

7 THE WITNESS: I believe we address that had
8 earlier. That certain decisions would be applicable
9 to bring up to Dine Brands if it affected the
10 overall corporate value.

11 BY MR. CLEGG:

12 Q. Like what kind of decisions would those be?

13 A. Say an acquisition for IHOP another brand
14 that would be related to IHOP that would be a
15 decision of Dine Brands.

16 Q. Okay. Are there other ones?

17 A. There's a multitude.

18 Q. Why don't we start going threw them.
19 You're the one with the knowledge so that's why I'm
20 asking you so you'd know which decisions Dine Brands
21 can veto. I can't guess at them. That's why I'm
22 asking you?

23 A. Yeah. I can answer a specific question
24 regarding it, but I can't enunciate every decision
25 that Dine Brands would make versus the brand.

23 you reach a spot it's been an hour when you reach a
24 spot.

25 MR. CLEGG: Yeah. Well, let me just get
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2 through this these he's here and we'll do it.

3 BY MR. CLEGG:

4 Q. Could Stephen Joyce veto a decision by the
5 brand subsidiary the IHOP brand subsidiary with
6 respect to some business decision in Utah?

7 MR. BERNTSEN: Object to form.

8 THE WITNESS: I would say a CEO again he
9 probably -- he has ultimate decision making.

10 BY MR. CLEGG:

11 Q. Okay. What about Thomas Song does he have
12 the ability to veto decisions by IHOP brand
13 subsidiary?

14 A. I wouldn't know that.

15 Q. How about financial decisions?

16 A. He would be involved.

17 Q. Okay.

18 A. And he would probably set out
19 recommendations to either the board or to Steve or

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20 to Brian.

21 Q. Would he ever have certain decisions where
22 he could dictate things done by IHOP brands
23 subsidiary?

24 A. I couldn't answer that.

25 Q. With respect to financial matters?

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2 A. He would be the lead financial matters,
3 yes.

4 Q. With respect to IHOP brands?

5 A. With respect to IHOP.

6 Q. Okay. And with respect to --

7 A. Well, excuse me.

8 Q. Sorry go ahead?

9 A. Not with respect to IHOP. He's Dine a Dine
10 Equity I believe so --

11 Q. Okay. Let's go back to Bryan Adel sorry
12 not go back but let's go to Bryan Adel. Would Bryan
13 Adel have the ability to -- with respect to legal
14 matters that could impact subsidiaries as general
15 counsel of Dine Brands does he have the power to

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16 make decisions that could legally affect
17 subsidiaries such as IHOP brands or could they just
18 flaunt his advice?

19 MR. BERNTSEN: Objection; form.

20 THE WITNESS: I would have to look at his
21 -- at his position description --

22 BY MR. CLEGG:

23 Q. Uh-huh.

24 A. -- and the bylaws --

25 Q. Okay.

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2 A. -- which will state whether or not he has
3 ultimate decision making power.

4 Q. Okay. But as to Stephen Joyce, his
5 relationship with respect to IHOP Leasing or IHOP
6 brands and subsidiaries, would that -- would the
7 same relationship and decision making power be true
8 with respect to him with respect to Applebee's
9 restaurants or Applebee's franchise?

10 MR. BERNTSEN: Object to form.

11 THE WITNESS: Well, it's not an autocratic
12 organization.

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13 BY MR. CLEGG:

14 Q. Sure.

15 A. Organization.

16 Q. Okay.

17 MR. CLEGG: Well, just one more set of
18 questions just not set but just two more questions
19 and we'll take a break is that okay? I know --

20 MR. BERNTSEN: Two more questions yes.

21 MR. CLEGG: I'll tell you what it sounds
22 like we ought to stop now so -- so that's fine.
23 Let's take a break and go off the record.

24 (A recess was taken.)

25 MR. BERNTSEN: Before we get started I just
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2 want to confirm on the record under the local rules
3 of district of Utah the stand dard the district
4 standard protective order is in effect until the
5 parties proposed modification and I want to
6 affirmatively designate this deposition as outside
7 counsel attorneys eyes only. So that's something.

8 MR. CLEGG: We're going to just so you know

9 we're going to object to it being attorneys eyes
10 only because in order for my client to be able to
11 make decisions and things like that it's -- they're
12 going to be able to see the deposition and there's
13 nothing that's taking place in this that would
14 require outside counsel only. So if you want to
15 designate it confidential I think that's fine if you
16 don't we'll just go to court and request that they
17 have it de-designated.

18 MR. BERNTSEN: For the time being, we're
19 going to designate it "outside counsel attorneys'
20 eyes" only, but we will look at the transcript once
21 we get the rough and confirm whether or not.

22 MR. CLEGG: Okay.

23 MR. BERNTSEN: What we will be designating
24 it.

25 MR. CLEGG: Do you know how soon it will

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2 be.

3 MR. BERNTSEN: How soon we get the rough.

4 MR. CLEGG: No how soon we get an answer on
5 that because we only have ten days to provide

6 supplemental briefs so if you want to extend that
7 time out to look at it that's fine but if you wait
8 right until we file supplemental briefs whether it
9 is outside counsel only or not then that puts us in
10 a bit of a cripple, you know.

11 MR. BERNTSEN: Sure. Sure. Let me put it
12 this way. I haven't had a chance to sit down and
13 talk about schedules with the appropriate people,
14 but I will make every effort to get it to you before
15 the Thanksgiving holiday.

16 MR. CLEGG: The Thanksgiving holiday?

17 MR. BERNTSEN: That's Thursday.

18 MR. CLEGG: But our deadlines are only a
19 few days after that. That's what I'm saying. After
20 the Thanksgiving holiday. That's when briefs are
21 due; right?

22 MR. BERNTSEN: That's what I can comment at
23 the moment but my hope I will be able to expedite
24 that and if so I will let you know.

25 MR. CLEGG: Okay.

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2 Q. Okay. So I guess we're back on the record
3 and Mr. Taylor during the break I have to ask did
4 you discuss any of your questions with any of the
5 testimony here today with your in-house counsel?

6 A. No.

7 Q. Okay. Is it correct -- is it an be
8 accurate description of your prior testimony that
9 Dine Brands does not receive any money directly from
10 franchisees?

11 A. Yes, that's correct.

12 Q. Is it correct that Dine Brands does receive
13 money from subsidiaries that would have come from
14 franchisees?

15 A. I believe that's the accounting process,
16 yes.

17 Q. Essentially it moves upstream from the
18 franchisee to a subsidiary potentially to another
19 subsidiary and from the IHOP brands subsidiary to
20 Dine Brands?

21 A. That's how it reads in the annual form,
22 yes.

23 Q. Okay. Do you know who selects the officers
24 and directors of the IHOP brand subsidiaries? Well,
25 let me ask for foundational purposes are there

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2 officers and directors of the IHOP subsidiary?

3 A. I believe so.

4 Q. Do you know who they are?

5 A. Jay Johns.

6 Q. What are the other ones?

7 A. I don't know the other ones.

8 Q. Do you know who knows?

9 A. It should be -- it should be list in the
10 annual report.

11 Q. Okay.

12 A. But --

13 Q. Do you know who selected Jay Johns -- is he
14 the CEO or the president --

15 A. President of IHOP.

16 Q. Okay. Do know who selected him to be
17 president of IHOP or how he was selected?

18 A. I believe he was approved by the board.

19 Q. Board of directors for --

20 A. For Dine Brands.

21 Q. So the board of directors for Dine Brands,
22 do they select any of the subsidiaries?

23 A. I wouldn't know that.

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24 Q. But Jay Johns would know that?

25 A. Yes.

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2 Q. And potentially other officers?

3 A. Potentially.

4 Q. And what about John Cywinski, would he have
5 been selected by the board of directors for
6 Applebee's?

7 A. I couldn't say. I don't know.

8 Q. Would it be similar to Jay Johns?

9 A. You would think in a practical sense it
10 would be.

11 Q. But you're not --

12 A. But I don't know the process that he went
13 through.

14 Q. Okay. And do you know who would know that
15 who would know the process of that John Cywinski
16 went through to become president of Applebee's?

17 A. Well, you'll I can't steward was the acting
18 president of Applebee's.

19 Q. Uh-huh?

20 A. And I think she was there when he was
21 selected or he came on afterwards.

22 Q. I see?

23 A. But I don't know how that process worked.

24 Q. Now, Julia Stewart was acting president of
25 Applebee's at the time she was CEO of --

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2 A. Right.

3 Q. -- Dine Brands?

4 A. Dine Equity at the time.

5 Q. And when we say "Dine Brands," that's just
6 the new name for Dine Equity?

7 A. Yes.

8 Q. So the company such as the subsidiaries
9 such as IHOP Leasing or IHOP properties can they
10 buy, sell or lease property without the approval of
11 somebody employed by Dine Brands?

12 A. That, I can't answer.

13 Q. Do you know who would know that?

14 A. Enable response.

15 Q. I'm sorry let me have you answer the
16 question?

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17 A. No, I don't really know who wrote do that.

18 Q. Okay?

19 A. I would have to look at the corporate by
20 laws I think to determine their authority.

21 Q. Approval to buy property, would that --
22 while they may go out and search and find property,
23 the approval, sort of the blessing, on buying that
24 property, would that need to come from a committee?

25 A. It could potentially, yeah.

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2 Q. Would it be the review committee or would
3 it be I would it be at headquarters?

4 A. Yeah.

5 MR. BERNTSEN: Object to form.

6

7 BY MR. CLEGG:

8 Q. So that would be at Dine Brands
9 headquarters?

10 A. Right.

11 Q. And that would be in Glendale, California?

12 A. That's correct.

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13 Q. Are you aware of any contracts between Dine
14 Brands and the -- and IHOP Leasing?

15 A. No.

16 Q. Are you aware of any contracts between Dine
17 Brands and IHOP properties?

18 A. No.

19 Q. So the general control of that would be
20 just on the basis of generally being a subsidiary of
21 Dine Brands?

22 MR. BERNTSEN: Object to form.

23 THE WITNESS: Could you restate that.

24 BY MR. CLEGG:

25 Q. Yeah the relationship between Dine Brands

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2 and IHOP Leasing or IHOP properties the -- the
3 general relationship between them governing how they
4 do business about is that just the general
5 subsidiary type relationship?

6 A. As I understand it, yes.

7 Q. So no need for a written contract just a
8 subsidiary?

9 A. Just subsidiary.

10 Q. Okay. So basically just subjected to doing
11 things based on what Dine Brands tells them to do?

12 MR. BERNTSEN: Object.

13 BY MR. CLEGG:

14 Q. As the party company?

15 MR. BERNTSEN: Object to form.

16 THE WITNESS: No, I don't think it's as
17 simple as that. I think the brands make decisions
18 within the brand.

19 BY MR. CLEGG:

20 Q. Okay. Are -- so IHOP LL -- so IHOP brands
21 the mainly IHOP brands?

22 A. Right.

23 Q. That has the agreement with the franchisees
24 is there a written -- are the written agreements
25 between that IHOP brands subsidiary and Dine Brands?

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2 A. No.

3 Q. No. So that's again just the subsidiary
4 relationship that governs that relationship?

5 A. That's my presumption yes.

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6 Q. Okay.

7 MR. CLEGG: Okay. So I've got actually a
8 couple more exhibits. Sorry mat more papers for
9 you. But these will be I believe the last of them.
10 What number are we on?

11 THE REPORTER: 14.

12 MR. CLEGG: So this will be 14, 15 and 16.

13 MR. CLEGG: So Exhibit 14 is from the IHOP
14 Website showing the address and location of the IHOP
15 Riverdale, Utah location, the property there in --
16 the franchise -- the IHOP franchise that is located
17 in Riverdale, Utah.

18 (Exhibit 14 was marked for
19 identification by the reporter.)

20 MR. CLEGG: And Exhibit 15 is a printout
21 from Weber County Parcel Service, so this is
22 basically the property tax from Weber County which
23 is where Riverdale, Utah is located.

24 (Exhibit 15 was marked for
25 identification by the reporter.)

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2 MR. BERNTSEN: And for clarification,

3 Exhibits 14 and 15 have highlighting added to the
4 printout, I think.

5 MR. CLEGG: Yes. The highlighting is our
6 highlighting. Thank you, Matt.

7 And then Exhibit 16 -- let me make sure.
8 Exhibit 16 is our tax record payments for that
9 parcel. Also from the Weber County Website?

10 (Exhibit 16 was marked for
11 identification by the reporter.)

12 MR. BERNTSEN: And, again, there is
13 highlight on that; is that correct?

14 MR. CLEGG: Yes.

15 Q. Okay. So basically if you look at
16 Exhibit 14 you'll see that there's an address here
17 of the Riverdale IHOP, -- Riverdale, Utah IHOP. If
18 you look at Exhibit 15 it shows the ownership of the
19 IHOP is IHOP Property, LLC which you indicated was
20 one of the subsidiaries that owns the property in
21 Utah?

22 A. Correct.

23 Q. Is that correct?

24 A. Correct.

25 Q. Okay. So would you agree then that IHOP

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2 properties LLC owns the property here at Riverdale,
3 Utah?

4 MR. BERNTSEN: Objection; foundation.

5 MR. CLEGG: Well, the foundations the
6 document is right here you can see.

7 THE WITNESS: According to this document,
8 yes.

9 BY MR. CLEGG:

10 Q. Okay. All right. So let's look at
11 Exhibit 16 which shows the tax records and tax
12 payments for the property located in Riverdale, Utah
13 that is owned by IHOP Property, LLC. If you look at
14 the backside of this document, you'll see that in
15 January of 2011 it appears that IHOP Ogden, LLC paid
16 the taxes. Do you know who IHOP, LLC is?

17 A. No, I don't.

18 MR. BERNTSEN: Objection; misstates the
19 document.

20 MR. CLEGG: Am I misstating it?

21 MR. BERNTSEN: You missed Ogden.

22 MR. CLEGG: Did I not say "Ogden"?

23 MR. BERNTSEN: No.

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24 BY MR. CLEGG:

25 Q. IHOP Ogden, LLC. I apologize.

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2 A. No, I don't know.

3 Q. So in 2009, 2012 and 2014 based on
4 Exhibit 16, it appears the taxes were paid by IHOP
5 Real Estate, LLC. Does that company still exist?

6 A. I can't say for sure.

7 Q. Is there a reason why one company might pay
8 the report tax of another company?

9 A. What --

10 Q. Among the subsidiaries?

11 A. I don't see any issue with it. I don't
12 know.

13 Q. I'm just asking the question is -- well,
14 let me ask you is it common for -- within the brand
15 subsidiaries that that group of subsidiaries for
16 IHOP is it unusual for one subsidiary to pay the
17 taxes for the property taxes for another subsidiary?

18 A. I can't answer that.

19 Q. Has it happened?

20 A. According to the record it has.

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21 Q. Okay. How about Dine Brands does Dine
22 Brands does it ever pay the property taxes for any
23 of the taxes for the subsidiary?

24 MR. BERNTSEN: Object to form.

25 THE WITNESS: I can't answer that I'm not
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2 from the tax department.

3 BY MR. CLEGG:

4 Q. Okay. And do you know what IHOP I think I
5 asked this question but just to confirm as I
6 mentioned in 2011 IHOP Ogden, LLC appear to see have
7 paid the taxes for IHOP Property, LLC. Do you know
8 who IHOP Ogden, LLC is?

9 A. No I said earlier.

10 Q. Yeah?

11 A. I can't.

12 Q. And you don't know if they still exist?

13 A. No I can't.

14 Q. And is there a reason why a subsidiary
15 might not be listed on the annual report?

16 MR. BERNTSEN: Objection.

17 THE WITNESS: I wouldn't see why.

18 BY MR. CLEGG:

19 Q. Okay. If they don't appear -- IHOP, LLC
20 doesn't appear to be listed on the annual report I
21 just want to know if you know why?

22 A. It was prior to my time at Dine Brands.

23 Q. Okay?

24 A. So I couldn't answer that.

25 Q. So in 2012³ according to this document 103

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2 Exhibit 16 in 2013, 2015 and 2016 it appears that
3 Peak Restaurant Partners paid the taxes. And so why
4 do you think that Peak -- Peak alternated with IHOP
5 Real Estate all the 2012, 2013, 2014 and 2015 in
6 paying the taxes?

7 MR. BERNTSEN: Object to form.

8 THE WITNESS: I can't answer that.

9 BY MR. CLEGG:

10 Q. Okay. You don't know the answer?

11 A. No, I don't.

12 Q. Do you know where the taxes were paid by
13 IHOP properties LLC in 2016?

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14 A. No, I don't.

15 MR. BERNTSEN: Objections it

16 mischaracterizes the document.

17 BY MR. CLEGG:

18 Q. In 2016 doesn't it say that IHOP Property,
19 LLC paid the taxes?

20 A. That's what's indicated on here.

21 Q. Okay. Do you know who is going inform pay
22 the taxes for this property in 2019?

23 A. I had no understanding of that.

24 Q. Okay. Do you know who would know that?

25 A. Probably the tax department.

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2 Q. Is the tax department is that at Dine
3 Brands corporate?

4 A. Yes.

5 Q. Whose over the tax department at Dine
6 Brands corporate?

7 MR. BERNTSEN: Object to form.

8 THE WITNESS: Thomas Song.

9 BY MR. CLEGG:

10 Q. Thomas Song?

11 A. Uh-huh.

12 Q. CFO?

13 A. Nodding head.

14 Q. Okay. Do the franchise agreement say
15 anything about tax payments?

16 A. It's addressed in the franchise agreement
17 but I can't specifically repeat it or understand.

18 Q. You don't know the terms?

19 A. No.

20 Q. And you don't know why franchisees I'm pay
21 tax and you don't know why it's paid by the Dine
22 Brands subsidiaries?

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2 Q. And that's a fund where money goes into
3 that from a different subsidiaries plus franchises?

4 A. I don't know if it goes into a different
5 subsidiary. I mean --

6 Q. Well, who -- who puts money into that fund?

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7 A. Franchisees.

8 Q. Does anybody put money into it?

9 A. I can't answer in a. I don't know.

10 Q. Well, would any of the subsidiaries put
11 money into it?

12 A. Potentially.

13 Q. But you don't know?

14 A. But I don't know.

15 Q. And what about Dine Brands would they put
16 any money into that?

17 A. Not on -- I don't know if they do.

18 Q. Do you know who would know would that be
19 Thomas Song?

20 A. It notice. It might be.

21 Q. But you don't know?

22 A. I don't know.

23 Q. Okay.

24 A. It's a brands level type of issue.

25 Q. What about the IHOP apps who advertises

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2 those?

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3 A. Who? I don't know who advertises those.

4 Q. Well, for example, who selects
5 advertisements that go on the outside of buildings
6 at franchise locations is that an and a half
7 decision?

8 A. That would be a local decision.

9 Q. Okay?

10 A. If you're talking effect specifically of
11 putting something on your building.

12 Q. What about -- what about the menus who --
13 who creates the menus is that done by franchisees or
14 is there a menu that -- do the franchisees buy a
15 menu from the brand? For example if you go into
16 different IHOP restaurants the menus all look the
17 same correct; is that correct?

18 A. I don't know. I don't go into IHOP.

19 Q. Who makes the decision as to what goes on
20 the menu?

21 A. There is a menu committee made up of
22 franchisees and IHOP brand and Applebee's brand. It
23 takes into consideration marketing and consumer
24 insights, business analytics.

25 Q. So it's -- it's a committee that includes

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2 franchisees and I assume wouldn't there be people
3 from Dine Brands on that committee?

4 A. It would be the marketing and the --

5 Q. The marketing from Dine Brands?

6 A. No from IHOP.

7 Q. From IHOP. Okay.

8 A. Okay. Remember Dine Brands is a corporate.

9 Q. Sure?

10 A. Brand decisions are made within the brand.

11 Q. Are any -- is anybody in corporate in a
12 position to make Decemblers or executive decisions as
13 to what depose on the menu what doesn't go on the
14 menu not that they would but could they?

15 A. On the Dine Brands level?

16 Q. Yeah. Well, no -- well, yeah on the Dine
17 Brands level?

18 A. No.

19 Q. Just the CEO you don't know?

20 A. I don't know that question.

21 Q. Okay. Okay. The -- but the menus
22 themselves do they receive like -- well, the menus
23 are they provided by IHOP or are they provided by
24 Dine Brands or are they provided by --

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25 A. They are provided by a vendor engaged by
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2 the brands to produce the menu in conjunction.

3 Q. I see.

4 A. With what the menu committee has decided
5 to --

6 Q. I see. When you say the are IHOP and the
7 would pay a vendor to the and provided to the
8 franchisees?

9 A. I think the franchisees actually access the
10 vendor for the menus.

11 Q. So the franchisee buys them from the
12 vendor?

13 A. Yes.

14 Q. But the vendor gets the information from
15 IHOP?

16 A. Correct.

17 Q. Okay. All right. So IHOP directs,
18 essentially, what the menus lok like so the
19 franchisees could go to the third-party vendor and
20 buy it; is that right?

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21 A. IHOP and the committee decide what the menu
22 should look like --

23 Q. I see.

24 A. -- on the product and then they go to the
25 vendor.

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2 Q. So any billboards -- well, let me back
3 up -- strike that.

4 Any -- so it sounds like there are two
5 categories of advertising from the standpoint of who
6 makes decisions; is that correct? That's the local
7 decision and those are franchisees locally and then
8 there's sort of national decisions and that's the
9 committee. Or is it different from that?

10 A. There's an advertising committee as well.

11 Q. There's an advertising committee?

12 A. There's a lot of committees.

13 Q. Is that different from the market
14 committee?

15 A. Yes.

16 Q. And the advertising committee is also a mix
17 of the brand subsidiaries the franchisees and Dine

18 Brands?

19 A. Not Dine Brands. I -- IHOP marketing IHOP
20 advertising.

21 Q. Uh-huh?

22 A. Sinks they're fairly related in what the
23 menu should be.

24 Q. Okay?

25 A. They should be part of that committee with
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2 the franchisees.

3 Q. Okay.

4 A. And they would decide based upon business
5 analytics on what -- how to advertise where to
6 advertise nationwide.

7 Q. Are franchisees allowed to do any local
8 advertising without consulting IHOP brands?

9 A. They -- few newer franchisees will consult
10 with us about local advertising. But given the
11 existence of the brand for so many years a lot -- a
12 lot can just go ahead and advertise without fog --

13 Q. Meaning there are some franchisees that can

14 because of the long years of press they can go ahead
15 and do local advertising?

16 A. Okay.

17 Q. But there's a lot of newer ones they need
18 to have more input from brands?

19 A. Don't --

20 Q. Is that -- I'm just trying to get clarity
21 you can restate it in the way you think it's
22 correct. That's -- I'm just trying to get an
23 understanding of how this works?

24 A. They don't.

25 MR. BERNTSEN: Object to form.

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2 THE WITNESS: They don't need to come to
3 us.

4 BY MR. CLEGG:

5 Q. Okay.

6 A. But a lot of the newer franchisees --

7 Q. Okay.

8 A. -- up when you're opening.

9 Q. Right.

10 A. A new store will come to us and ask us

11 about different aspects --

12 Q. Okay.

13 A. -- doing local advertising whether it's
14 coupon or point of sale.

15 Q. And those don't have to be approved by
16 brands?

17 A. They'll look at it and say fine.

18 Q. So there's an approval process if there was
19 something offensive on it you wouldn't approve it?

20 A. If there was something offensive, I would
21 hope they wouldn't approve it.

22 Q. And if they did something that was
23 offensive that could potentially cause damage to the
24 brand?

25 A. Correct.

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2 Q. Could something like that lead to them
3 losing their franchise?

4 MR. BERNTSEN: Object to form.

5 THE WITNESS: I wouldn't say it is -- we
6 don't --

7 BY MR. CLEGG:

8 Q. It many not saying you do, but the question
9 could you would Dine Brands or would IHOP subsidiary
10 have the power to say that's too much we're
11 terminating your license?

12 A. As a hypothetical, I can't answer.

13 Q. Well, it's not hypothetical. The question
14 is whether that power is in the agreement to do so.

15 A. Within the agreement I believe it's stated
16 that way that there are certain brand standards they
17 have to keep.

18 Q. Okay. And if IHOP brands allowed something
19 to happen that was offensive that Dine Brands
20 disagreed with could Dine Brands intervene and say
21 no we're going to -- we're not going to approve
22 that?

23 A. Not in my experience. I don't know of any
24 incidents where that had occurred.

25 Q. But they had the power to do so if they

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2 wanted to?

3 A. It's a corporate structure and dictated by

4 corporate agreement and we're just looking for those
5 terms and conditions.

6 Q. Okay. So you indicate that had the signage
7 on these doors are not provided by the subsidiaries
8 like on the franchise like IHOP sign all of that is
9 provided by the franchisee?

10 MR. BERNTSEN: Object to form.

11 THE WITNESS: The -- the design of the
12 logo.

13 BY MR. CLEGG:

14 Q. Right.

15 A. You mean.

16 Q. Well, for --

17 A. I can't he.

18 Q. Well, let me go back and clarify what I'm
19 asking. Is there like third party vendors that make
20 all the stuff that gets used by the franchisees
21 because if you go to a store of course you'll see
22 they're fairly uniform right to keep that you any
23 format do the IHOP subsidiaries implement the third
24 party vendors that they use to provide stuff to the
25 franchisees?

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15 Q. Check could Dine Brands terminate a
16 franchise agreement if a franchisee refuses to use
17 the menus we discussed before, they want to do their
18 own menu?

21 Q. And if anybody doesn't want to use the

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22 signage from the co-ops they wanted some other color
23 they wanted to do could you terminate it if they
24 refused to use your signage?

25 MR. BERNTSEN: Object to form.

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2 THE WITNESS: That would be at the
3 discretion of the IHOP brand committee you no know
4 or review committee.

5 MR. CLEGG:

6 Q. Are there certain advertising material
7 that's the IHOP brand subsidiaries require that of
8 the franchisees that they have to use?

9 MR. BERNTSEN: Object.

10 THE WITNESS: Not to my knowledge.

11 MR. CLEGG: Why don't we take about in its
12 okay about a 5 or 10 minutes break and I think we
13 might be wrapped up.

14 MR. BERNTSEN: Sure.

15 MR. CLEGG: Okay. Off the record.

16 (A recess was taken.)

17 MR. CLEGG: Back on the record.

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18 MR. BERNTSEN: Please.

19 MR. CLEGG: Okay. Great for the record I
20 just want to make sure we get our objections in as
21 to we're objecting because we don't think you had a
22 properly or you didn't have designated witness. It
23 was properly or fully prepared on all the topics
24 this we're permitted by the court and we'll have
25 disagreements as to that whether we think we'll need
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2 additional testimony or not, we'll have to review
3 the transcript and of course I expect you to object
4 whatever that might be. I also want to address -- I
5 want to get back to addressing the issue with the
6 aspect of confidentiality my concern is that if
7 you're going to I think we just out to get our meet
8 and confer if you want to designate it outside
9 counsel only and-be told until the He would of next
10 week we'll have almost no time whatsoever to deal
11 with this before we have to do our briefing so we
12 with can handle that in an um couple of ways one way
13 we could handle it as sort of a compromise we say we
14 agree to extent when we do the briefing from

15 wherever it is either we get an answer from you that
16 says okay maybe it's confidential but it's not
17 outside counsel only or if it's outside counsel only
18 and we'd object to it and where he file a motion and
19 we get a decision from the court and we get so many
20 days from that time period. Or if that's not
21 acceptable we could simply, you know, file a short
22 form discovery motion to address it. So I don't
23 know if you -- you know, what your thoughts are on
24 that, how you want it handle that. We're open to
25 either of those options but we certainly have to get
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2 time to know before our briefing is due on whether
3 we're going to have access you know what I can show
4 the complaint the transcript.

5 MR. BERNTSEN: I'm just standing up to put
6 the blinds down. It's hitting me in the face when
7 it bounces off the table.

8 MR. CLEGG: We can do that.

9 MR. BERNTSEN: Why don't we see if we can
10 get back to you as early as Monday.

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11 MR. CLEGG: Okay.

12 MR. BERNTSEN: Hopefully, we can put this
13 thing to the side. One thing that may expedite that
14 process is knowing who the universe of people within
15 MFA are that would potentially receive access if the
16 transcript were to be designated merely
17 confidential.

18 MR. CLEGG: If you designated merely --
19 okay. So do you remember we had -- there was a
20 separate case where we agreed on a protective order.
21 And in that protective order we agreed that we would
22 allow in-house counsel to look at documents provided
23 they signed --

24 MR. BERNTSEN: I recall there's some
25 procedure --

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2 MR. CLEGG: -- the gist of it. We would
3 limit it to Andrew.

4 MR. BERNTSEN: Okay.

5 MR. CLEGG: And nobody else within the
6 company --

7 MR. BERNTSEN: Okay.

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8 MR. CLEGG: -- that if you felt if needed
9 to be designated attorneys' eyes only.

10 MR. BERNTSEN: Okay.

11 MR. CLEGG: Fair enough.

12 MR. BERNTSEN: That will help me in having
13 a dialogue. So let me endeavor to get back to
14 you --

15 MR. CLEGG: Yeah.

16 MR. BERNTSEN: -- by Monday.

17 MR. CLEGG: And keep in mind that we're not
18 a competitor. "We" as in the client, but, you know,
19 the Modern Font Applications is not a competitor.
20 There's nothing that took place here during this --
21 there's no information here that relates to any
22 future patent prosecution. There's nothing here
23 that relates to competitive attorney information.
24 There's nothing in here. You know what I'm saying?

25 MR. BERNTSEN: No. I hear you loud and

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2 clear. It's just I need to have a dialogue with my

3 client --

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4 MR. CLEGG: Sure.

5 MR. BERNTSEN: -- which I haven't had
6 because I need to work with them to assess --

7 MR. CLEGG: Yeah.

8 MR. BERNTSEN: -- how central to their core
9 business --

10 MR. CLEGG: Fair enough.

11 MR. BERNTSEN: -- the information that we
12 talked about today.

13 MR. CLEGG: Keeping that in mind, we still
14 may need, you know, a few extra day's review delay.
15 So -- these are things -- I work closely with your
16 in-house counsel on these things, so --

17 MR. BERNTSEN: Can't say one way or the
18 other what will happen but I try not to hold
19 people's feet to the fire where possible.

20 MR. CLEGG: Okay. I don't think we have
21 any further questions of the witness.

22 MR. BERNTSEN: I will have a few on
23 redirect if I may.

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25 FURTHER EXAMINATION

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2 BY MR. BERNTSEN:

3 Q. So I think earlier there's discussion about
4 Dine Brands and franchisees and franchise agreement
5 and the subsidiary brands and I just want to be
6 clear.

7 Does Dine Brands enter into franchise
8 agreements?

9 A. No.

10 Q. And I just want to talk briefly about the
11 management structure of Dine Brands down into the
12 IHOP and Applebee's channels. At the top I assume
13 there's a board of directors; is that correct?

14 A. That's correct.

15 Q. And what that below the poured of
16 directors?

17 A. Well, there's a board of director and then
18 below that are the subsidiaries right.

19 Q. Okay. Is there an executive committee
20 within Dine Brands?

21 A. Yes.

22 Q. Does that report to the board of directors?

23 A. Yes. It would.

24 Q. And is there some interaction between the
25 executive committee at Dine Brands and IHOP?

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2 A. They're a separate executive teams for the
3 brands.

4 Q. So IHOP has a separate executive team?

5 A. Yes.

6 Q. And is the same true for Applebee's?

7 A. True, yeah.

8 Q. And who makes decisions as to the
9 day-to-day operations of IHOP?

10 A. The brands IHOP.

11 Q. And make decisions the with respect to the
12 day to day decision of Applebee's?

13 A. Applebee's brand.

14 Q. Okay.

15 MR. BERNTSEN: We could go off the record I
16 want to have a brief conversation with co-counsel
17 here we can -- I want do make sure I'm done on
18 redirect.

19 MR. CLEGG: Oh, you're not sure if you're
20 done.

21 MR. BERNTSEN: Yes.

22 MR. CLEGG: Okay.

23 (A recess was taken.)

24 MR. BERNTSEN: Nothing further on redirect.

25 MR. CLEGG: I do have a couple questions in
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2 view of what you said.

3 Q. So you indicated that there's an executive
4 committee for IHOP and a separate executive
5 committee for Dine Brands and they both report --
6 they both report to the board of directors of Dine
7 Brands?

8 A. There's an executive leadership team --

9 Q. Okay.

10 A. -- which I call executive management team.

11 Q. Are they executives, then, that make up
12 that executive leadership team?

13 A. Yes.

14 Q. They're officers?

15 A. I don't know if they're in officers in the
16 sense of that.

17 Q. Okay. But you called them executives?

18 A. We call it executive leadership team, yeah.

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19 Q. And there's one for the IHOP brand
20 subsidiary and one for the Dine Brands?

21 A. Yes.

22 Q. And they both report to the board of
23 directors?

24 A. No they would report up to Dine Brands.

25 Q. They would both report to Dine Brands?

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2 A. Yes.

3 Q. Management I see. Does people on the
4 executive team of IHOP also on the executive team of
5 Dine Brands?

6 A. I would think the presidents are executive
7 team.

8 Q. Who would those presidents be?

9 A. Jay Johns and Cywinski.

10 Q. Are presidents of the executive team of
11 IHOP and Applebee's?

12 A. Yeah.

13 Q. And they're also on the executive team at
14 Dine Brands?

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15 A. Yes.

16 Q. I see and they both report to Dine Brands?

17 A. Correct.

18 Q. Okay.

19 MR. CLEGG: That's it.

20 MR. BERNTSEN: Off the record.

21 MR. CLEGG: Off the record.

22 MR. BERNTSEN: Actually you wanted orders.

23 Your deposition so why don't you go first.

24 MR. CLEGG: For us we just want the rough

25 transcript today. Eventually, we would want the

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2 formal one, but the formal one expedited is much

3 more expedited than the ones not expedited, and

4 we'll get the rough one today and the formal one

5 when it is ready.

6 MR. BERNTSEN: Same for us. Thank you.

7 And to be clear, that's the same day or next day

8 rough.

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